

ESG

AND INNOVATION

REPORT

01 APRIL 23 - 31 MARCH 24

Foreword

As we present our latest annual ESG report, we're pleased to share significant progress across our environmental, social, and governance initiatives.

This has been a highly encouraging reporting period for M Group Services, marked by substantial strides in our commitment to sustainable practices, social responsibility, and ethical governance. We've not only advanced our existing programmes but also expanded our capabilities through strategic acquisitions, positioning us to make an even greater positive impact in the years to come. We hope this report begins to describe the personal effort, drive and dedication of our people who have driven this progress.

Our Sustainalytics ESG Risk Rating has improved from 8.3 to 8.0, maintaining our 'Industry Top Rated' status and reinforcing our 'negligible risk' profile. We're continually challenging ourselves to do better, to innovate more, and to set new benchmarks for our industry. The report will outline our plans for further improvement, including our exploration of new ESG rating agencies that could provide deeper insights, and wider benchmarks to challenge ourselves against.

We recognise that there's always more to be done, and we remain committed to transparency in reporting both our achievements and our challenges. This report will highlight areas where we are ahead, and a few areas where we recognise that we have more to do.


Our commitment extends beyond our own operations. **We've set a target to reduce the carbon intensity of our supply chain by 52% by 2030,** recognising the significant impact we can have through our purchasing decisions and partnerships. You'll see how we're engaging more deeply with our suppliers and implementing innovative solutions to drive this change throughout our value chain. This report will demonstrate how we're leveraging advanced data analytics to monitor and manage our supply chain's environmental impact, enabling us to make more informed decisions and drive meaningful improvements.

This report includes case studies that bring our ESG passion to life. From showcasing exemplary community engagement, to stories about conservation on busy construction sites, these stories illustrate how our ESG commitments translate into real-world impact. We'll also highlight success in achieving biodiversity net gain targets across projects, demonstrating our commitment to enhancing local ecosystems alongside our essential infrastructure work.

In line with our global outlook, we've deepened our engagement with the United Nations Sustainable Development Goals (UNSDGs) and subscribed to the United Nations Global Compact. We will demonstrate how we've aligned our operations with eight key SDGs, including Good Health and Well-being, Gender Equality, and Climate Action. You'll find numerous examples of how these goals are shaping our practices, influencing our decisions, and driving our innovations across all aspects of our business. From our efforts to promote diversity and inclusion in our workforce to our investments in clean energy infrastructure, we're committed to contributing to these global goals in tangible and measurable ways.



Environmental

 We measure and report our carbon emissions in line with ISO 14064 standards and this is externally verified. We've seen a year-on-year reduction of our carbon intensity, which has improved from **a benchmark of 50 tonnes of CO₂ equivalent per million pounds of turnover in 2020 to 23 tonnes in the current financial year.** This report details the various initiatives that have contributed to this reduction, including our Fleet Decarbonisation Strategy and increased use of renewable energy sources.



Reduce our Scope 1 and 2 emissions by

42%
by 2030

A cornerstone of our environmental strategy this year has been our work with the Science Based Targets initiative (SBTi). **We have just received 'validated' status from the SBTi for our decarbonisation targets, and in so doing are, committing to reduce our Scope 1 and 2 emissions by 42% by 2030.** This science-based approach ensures our environmental goals are not just aspirational, but grounded in the latest climate science and aligned with global efforts to limit warming to 1.5°C.

Social

A significant investment into our Group's portfolio this year has been the acquisition of AgilityEco into our Energy Division. This is a company dedicated to reducing fuel poverty and improving energy efficiency in homes across Britain. This strategic addition to our Group aligns perfectly with our commitment to sustainable development and social responsibility. AgilityEco's expertise in delivering energy efficiency measures, providing tailored advice to lower bills, and maximising income for vulnerable households will significantly enhance our capacity to make a positive impact. We will provide additional detail about AgilityEco's impressive track record, including their delivery of energy bill savings for customers in the last reporting period. Their focus on deep, multi-measure retrofits not only saves money for households but also contributes substantially to reducing carbon emissions, aligning seamlessly with our environmental goals.

Staying on the social value front, we're proud of our increasing focus on measuring and maximising social value. You'll read about our investment in the LOOP social value system, which is enabling us to quantify and enhance our social impact more effectively than ever before. This tool is proving invaluable as we respond to the growing emphasis on social value

in the private and public sector procurement. We will detail how we're starting to use LOOP to track and report on a wide range of social value metrics, from local employment and skills development to community engagement and environmental stewardship. We have also included a detailed look at Milestone's Social Value Strategy, which we hope will serve as an inspiration of industry best practice.



We recognise that our workforce is our greatest asset, and this report will highlight our comprehensive approach to employee development and well-being. You'll learn about our new Learning Management System, Competency Cloud, and how it's revolutionising our approach to training and development. This platform provides our employees with 24/7 access to a vast library of e-learning modules, digital certificates, and personalised learning paths. We'll share data on the **significant increase in our investment in training initiatives, rising from £4.7 million in fiscal year 2023 to £6.4 million in fiscal year 2024**, demonstrating our commitment to nurturing talent and fostering a culture of continuous learning.

The report will also share insights from our annual employee engagement survey, which saw an impressive **72% participation rate this year**. We'll discuss the key findings, including improvements in areas such as commitment to stay with the company, motivation to do best work, and advocacy for M Group Services as a place to work. We'll also outline our plans to address areas identified for improvement, such as enhancing opportunities for learning and ensuring employees feel they can be their "true selves" at work.

Our commitment to diversity and inclusion will be evident throughout the report. We will share information about our diversity and inclusions initiatives, which are now active across multiple divisions, promoting diversity and fostering an inclusive work environment. We'll share details of our **Allyship programme**, which is empowering employees to take meaningful action in support of underrepresented groups. The report will also highlight the progress of our **Women's Network in the Water Division**, which is working to increase female representation and create a more supportive environment for women in our industry.



Governance

This section provides details of our robust risk management processes, our commitment to data protection and cybersecurity, and our approach to ethical business practices. We'll explain how our systems ensure comprehensive risk management across all levels of our organisation. This model, which encompasses day-to-day operational risk management, business unit monitoring, divisional audits, and independent external audits, provides a multi-layered approach to identifying and mitigating risks.

We're proud of the progress we've made in our safety performance, and you'll find detailed statistics and analysis in the report. Our Accident Frequency Rate has decreased from 0.07 to 0.06, (this is based on our calculation which uses 1,000,000 as a multiplier) and our Lost Time Injury Rate has improved from 0.24 to 0.15. We'll discuss the initiatives that have driven these improvements, including our "It Starts with Me" behavioural and cultural development programme, which is fostering a culture of personal responsibility for safety across our organisation.



As a company which falls under the requirements of Climate-related Financial Disclosure, we have a responsibility to evaluate and report on potential risks related to the climate, and our section on risk management includes this information.

Information is provided about our enhanced focus on data protection and cybersecurity. In an era of increasing digital threats, we've implemented state-of-the-art systems and protocols to safeguard our operations and the sensitive information entrusted to us. Our compliance with ISO 27001 standards for information security management demonstrates our commitment to best practices in this critical area.

Looking to the future, we're acutely aware of the evolving landscape of ESG reporting. This report will outline how we're preparing for increased requirements from the UK government relating to ESG reporting. Our section on this will explain our plans to adopt Global Reporting Initiative (GRI) standards, which will not only ensure compliance with upcoming regulations but also enhance the credibility and comparability of our reports on a global scale. This transition will involve significant changes to our data collection and reporting processes, and we'll outline some thoughts for implementing these changes over the coming years.



Innovation remains at the heart of our approach to sustainability. We also explain how we're leveraging the Research and Development Expenditure Credit (RDEC) scheme to fuel our sustainable innovation efforts. With our innovation spend rising to £19.2 million this year, we're investing heavily in cutting-edge solutions to drive environmental performance and operational efficiency. The report will showcase several of these innovative projects, including our Safe Dig AI system, which uses artificial intelligence to interpret complex map data and significantly reduce the risk of striking underground assets during excavation work. You'll read about our trials with Elastomac, a polymer-modified mastic asphalt that incorporates recycled tyres, demonstrating our commitment to circular economy principles.

We hope this report provides a clear picture of our commitment to responsible business practices, our progress in key areas, and our ambitions for the future. We believe that by putting ESG at the heart of our operations, we're not just doing the right thing for our planet and communities, but we're also positioning ourselves for long-term success in a rapidly changing world.



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Executive Summary



Message from Chief Executive

Reflecting on another remarkable year at M Group Services, I'm continually impressed by our people's unwavering commitment and innovative spirit. Since becoming Chief Executive in January 2023, I've witnessed first-hand the determined effort to build upon our sector-leading ESG credentials. I'm delighted to report increasing ESG&I activity across our Group in the year to April 2024, further consolidating our position as a leader in sustainable infrastructure services.

This heightened focus builds on our previous highlights which were shared in our 2022-2023 ESG&I Report. We've since redoubled efforts to improve our leading ESG performance, identifying new opportunities across a wide spectrum of ESG measures and benchmarks.

By challenging our own thinking and benchmarking ourselves against other industry leaders, we continue to build momentum. We see numerous opportunities to evolve our business, aiming to become more environmentally conscious, increase our social contribution, and enhance governance practices. While some of our initiatives have yielded immediate results, other changes, such as our approach to ecology and biodiversity net gain, will require careful planning and implementation in the years ahead.

I'm particularly proud to announce three key achievements:

- 1 In November 2023, we submitted our first report to the United Nations Global Compact (UNGC), aligning us with leading global organisations and benchmarking our practices against an international selection.
- 2 In March 2024, we submitted our Science Based Targets to the SBTi, pledging to reduce our Scope 1 and 2 emissions by 42% by 2030, demonstrating our commitment to addressing climate change.
- 3 Our Sustainalytics ESG Risk Rating has improved from 8.3 to 8.0, maintaining our 'Industry Top Rated' status and reinforcing our 'negligible risk' profile. We are now planning to deepen our rating processes and benchmark more widely.



Andrew Findlay
Chief Executive Officer

These accomplishments reflect our open approach to embracing challenges and our ambition to raise industry standards. While celebrating these milestones, we remain aware that our purpose extends beyond financial success.

Our philosophy of delivering what we promise while focusing on more than the bottom line drives us to ensure our operations benefit the environments and communities we serve. This ethos is crucial as we face and prepare for unprecedented global challenges.

The efforts I've witnessed across M Group Services reinforce my belief that we are greater than the sum of our parts. With my team and Divisional leaders, we continue to learn from our outcomes and challenge our assumptions in a world where ESG is increasingly important to all stakeholders.

Thank you to everyone who has contributed to our success - employees, clients, and supply chain partners. Your dedication, expertise, and commitment to our values is driving our achievements as we shape a sustainable, responsible future for generations to come.



Introduction from Andrew Hunt, Director of ESG and Innovation

Over the last three years, our ESG journey has been powered by a cast of thousands, each bringing unique expertise and passion. This year's report features contributions from an even wider pool of subject matter experts whose insights have already significantly impacted our company and I'm thrilled to see so many of these included in this report. Given the abundance of content, this year we've taken the decision to provide both a long and short read on our progress, with the short read version being this Executive Summary.

We've touched upon in this message, we've achieved remarkable milestones in the last year, including submitting our first report to the UN Global Compact. This report will demonstrate how we continue to align our work with key UN Sustainable Development Goals, focusing our efforts where we can make the most difference.

I'm excited to share that, just before writing this introduction, we received validation of our Science Based Targets initiative (SBTi) calculations and report. This provides clear, measurable targets for reducing our carbon emissions, forming a solid foundation for our future sustainability efforts. We now have a fantastic and public target to deliver. This year we are also evaluating new ways in which we can benchmark our ESG performance to ensure we are as competitive and contemporary as possible.

Looking ahead, I see a landscape rich with opportunities. We're driving change across our operations, from transitioning our fleet to low-carbon alternatives to developing innovative, sustainable infrastructure solutions. Our industry-leading position in sustainability is stronger than ever, thanks to the collective efforts of our team, partners, and communities. As we continue this journey, I'm eager to see our future accomplishments. While some challenges might be significant, our determination and ambition are greater.

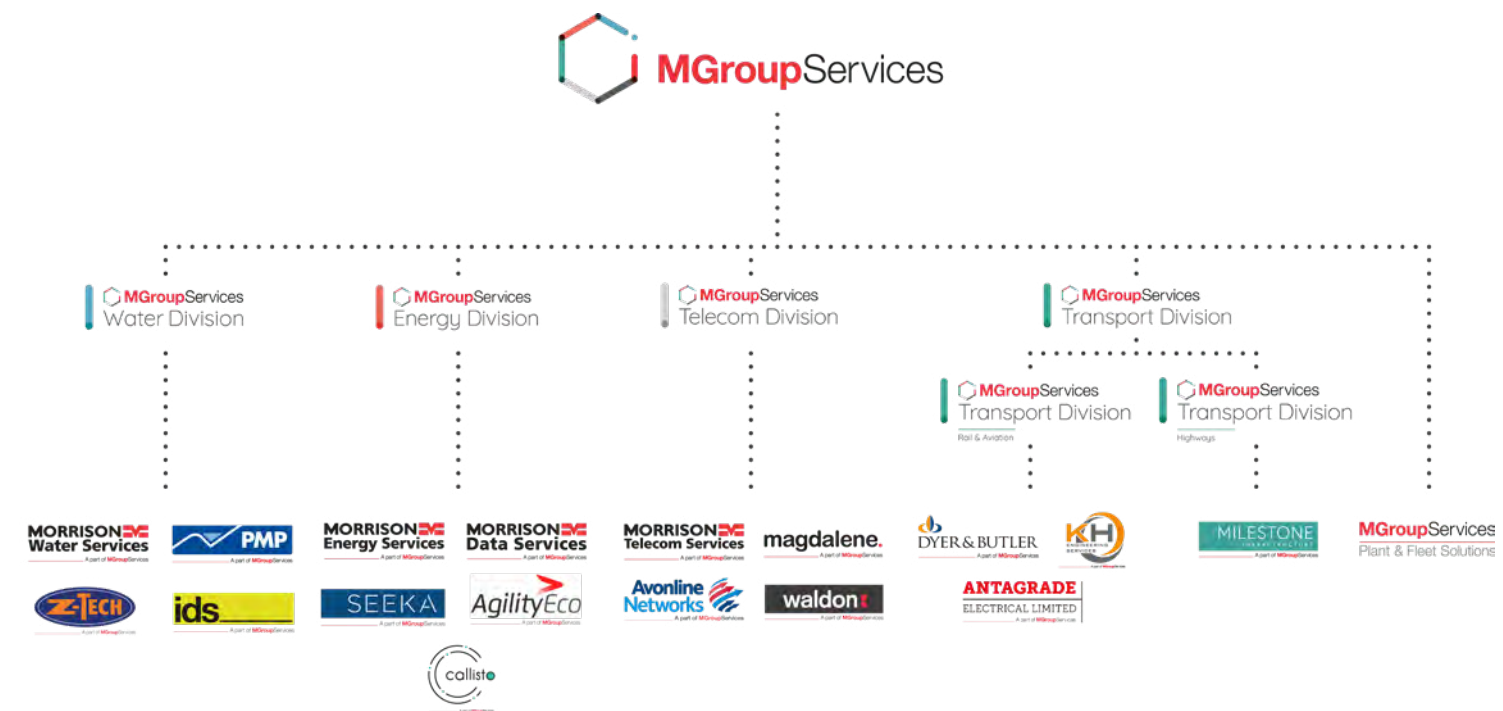


Andrew Hunt
Director of ESG and Innovation

Overview of M Group Services

M Group Services stands at the forefront of the UK's critical infrastructure. Our operations span across multiple sectors, providing essential services that underpin the fabric of the nation's daily life. As we continue to grow and evolve, we remain steadfast in our commitment to excellence, sustainability, and responsible business practices.

We are a collection of expert companies which increasingly plan, collaborate and think as a cohesive Group, retaining a sense of individuality and subject matter expertise through our divisions. This means that we are greater than the sum of our parts, enhancing our client-focused delivery to provide safe, reliable and cost-effective support and solutions.



The statistics used within this report provide a snapshot from across our Group, showcasing the progress and results we have achieved, with increased focus on metrics and outcomes that our stakeholders care about.

Since the last reporting period, much has been achieved, with each division focusing on issues that matter to their own people and the communities in which they work. We will use this report to share our progress as a group, and to provide and update on our work with various agencies and bodies that are helping us to develop.

In a change from last year, and to help us align with global reporting standards, we have re-categorised our ESG contribution to concentrate on three distinct themes. We now have a stand-alone section for Environmental, Social and Governance issues.

A message from our Divisional Managing Directors

We asked five of our divisional MDs to share personal reflections on the reporting year and what they're looking forward to in the year ahead.



Shaun M Stephenson

Managing Director, M Group Services Plant and Fleet Solutions

I'm passionate about developing our business strategy to help us make the most of future technology so that we can play our part in reaching global CO2 reduction targets. We all have a fantastic opportunity to lead the sector as well as our industry in reducing greenhouse gas emissions, advancing technologies such as Electric Vehicles and making the most of hydrogen technology.

In this coming year I'll be working with my team to develop our infrastructure and assets in preparation for the government's phase out of compression ignition engines – in other words, to minimise our use of vehicles that run on petrol and diesel. This challenge provides us with a great opportunity to drive these changes and to leave a legacy for the benefit of our next generation

This is a passion project for me. Outside work I'm also chairing a working decarbonisation group in the transport industry. It matters to me because I think it's essential for the wellbeing of our children and grandchildren – as well as the future of our industry.

Iain Sutherland
Managing Director, Water Division



I'm delighted to report the work the team has done in helping to create a more sustainable society through the promotion of equality, diversity and inclusion. It's been great to see new skills and employment opportunities being extended throughout our supply chain and delivery partners. While there's still work to be done, we've made strides in creating a more sustainable society. We've invested in 54 apprentices and increased female representation on the divisional board. We've also set an employee ethnicity target of 8% with planned year-on-year increases.

Sustainability and environmental impact are at the heart of our project delivery, and I'm proud of our 15% net tCO2e reduction over the last year. Our orderbook gives us an opportunity to build on this success, so I'll be appointing a Leadership Team member to oversee ESG, aiming to develop a divisional social value strategy and achieve over £50m of 'banked' social value in the next financial year.

As we move into AMP8 delivery, we'll grow our carbon reduction capability across our value chain, aiming to halve our emissions by focusing on designing out carbon at source.



Adrian Cooke

Managing Director, Highways Division

I'm pleased to report on the progress made in Highways on ESG and innovation. I am proud of the progress we have made in reducing the carbon impact of our operations. In the year we saw a 10% reduction in carbon intensity thanks to the continued initiatives including converting our commercial fleet from diesel to HVO, increased recycling of highway material (waste aggregate was traditionally disposed of in landfill, until quite recently) and the introduction of innovative new low carbon materials.

Our long-term service contracts give us a great opportunity to support and invest in the local communities where we work and live. We've been especially active in STEM, return to work programmes and supporting armed forces charities. We've set out to promote local economic growth with 30% of our spend being targeted through local suppliers.

Governance is important to all of us, so I'm reassured to see our robust governance and intelligent systems in place to effectively manage our daily operations. Our standardised approach provides rich data to drive operational efficiency and helps identify areas to invest in new innovative solutions. That doesn't mean we can be complacent. We're actively looking for new areas to improve and our innovation hub app is helping us to receive great suggestions from everyone across our business.

Our business plan 'Safer Greener Highways' is a golden thread that runs across all our strategic plans, our clients tell us they value our leadership in ESG and I am proud that we're seen as thought leaders in this space.

Mark Turner
Managing Director, Telecom Division



I'm very happy with the sustainability progress that's been made across our division in the last reporting year.

Our fleet and fuel Initiatives include the use of a solar and hydrotreated vegetable oil (HVO) diesel powered generator at our Leyland training centre, which has saved 28tCO2e and £13k of fuel costs during the previous 12 months. During the same period, the number of EV and hybrid vehicles in our fleet rose by 72% from 562 to 968, now accounting for 20% of the vehicle fleet. I'm pleased to report that we support our staff in installing EV chargers at their home address through subsidising installations costs, as well as providing them with EV fuel cards to access UK-wide public charge points.

Of course, sustainability starts with culture, so I'm pleased to report that we've introduced an environmental training module, aimed at raising awareness of our 2030 targets, objectives and actions everyone - whether in the field or in our depots - can take to support progress towards this goal. This module is an addition to the suite of environmental training modules already available and, in total, 554 telecoms division staff have attended environmental training courses over the last 12 months.

Material and component use is particularly important to the telecoms industry as many of the supplies we use are costly to produce. We're consistently looking for ways to reduce waste, engaging with our suppliers with a focus on keeping resources in use for longer. Last year, 81% (39,022 tonnes) of our excavated waste went to recycling centres and only 19% (8,765 tonnes) went to landfill.

As a result of these initiatives, carbon intensity, measured as tonnes of carbon per million pounds revenue, has fallen 17.2% from 20.9 to 17.3tCO2e/£m, keeping us on track to play our part towards helping the Group meet its carbon footprint ambitions.

Simon Best

Managing Director, Energy Division



Our ESG initiatives are progressing well, with a 12.26% reduction in carbon intensity confirmed by external certification. We're engaging with clients and driving innovation through our operational teams. Some of these examples are testimony to our commitment to make a real difference to the environment and the communities in which we operate:

- A major battery storage project in Yorkshire, which exemplifies our environmental commitment by treating thousands of tonnes of excavated material on-site to prevent waste to landfill
- Smarter logistics planning in our metering business, reducing fuel use as well as minimising travel times
- Commitment to workforce development through our Power Network Craftsperson Apprentice Scheme's accreditation by the Institution of Engineering and Technology
- Active support for STEM education in schools and we've also earned another RoSPA award for Safety Excellence
- Extensive community engagements including providing planters to local schools, assisting with storm clean-ups, and repairing potholes on public and private roads.

We've received an international Green Apple Award for environmental best practice at our Hammersmith Bridge Gas Main Reinforcement Project, which underscores our commitment to sustainability and environmentally responsible practices.

Growth areas for us include large-scale battery storage and EV charging points, all of which are helping the UK to meet its carbon footprint. Finally, but by no means least – I'm delighted to report that we now have a new business in our division, AgilityEco is delivering home decarbonation for thousands of homes throughout the UK, many of which are households in fuel poverty.



Mike Evans

Managing Director, Rail & Aviation Division

The previous 12 months have seen our division make incredible progress with regards to ESG. Our teams are putting ESG at the forefront of projects and contracts, embedding its principles into our work and figuring out innovative ways to offer sustainable solutions for our clients and their customers.

Across Rail and Aviation we have trialled new equipment and materials, finding ways to cut carbon, collaborate with local businesses and support the communities that we're working in.

In Rail, the implementation of sustainable walkways on one of our railway projects eliminated 7.7 tonnes of waste, equating to a carbon saving of 29tCO₂e. While in Aviation, our Heathrow team pioneered a low carbon concrete trial with the intention of cutting emissions by 50% over conventional concrete. The division achieved a decrease in direct carbon emissions (scope 1) of 94% compared to the previous year, contributing to our short-term target of reducing scope 1 emissions by 50% by FY27.

There's lots more opportunities coming and we look forward to seeing how we can reach our goal of net zero by 2040.

ESG isn't just focused on cutting carbon, it's about leaving a positive lasting legacy. While our teams are busy finding ways to make our operations more sustainable, they're also giving back to the communities we work in. This has been achieved by organising litter picks, bike rides and school STEM events to name only a few principles of what our fantastic teams are doing.

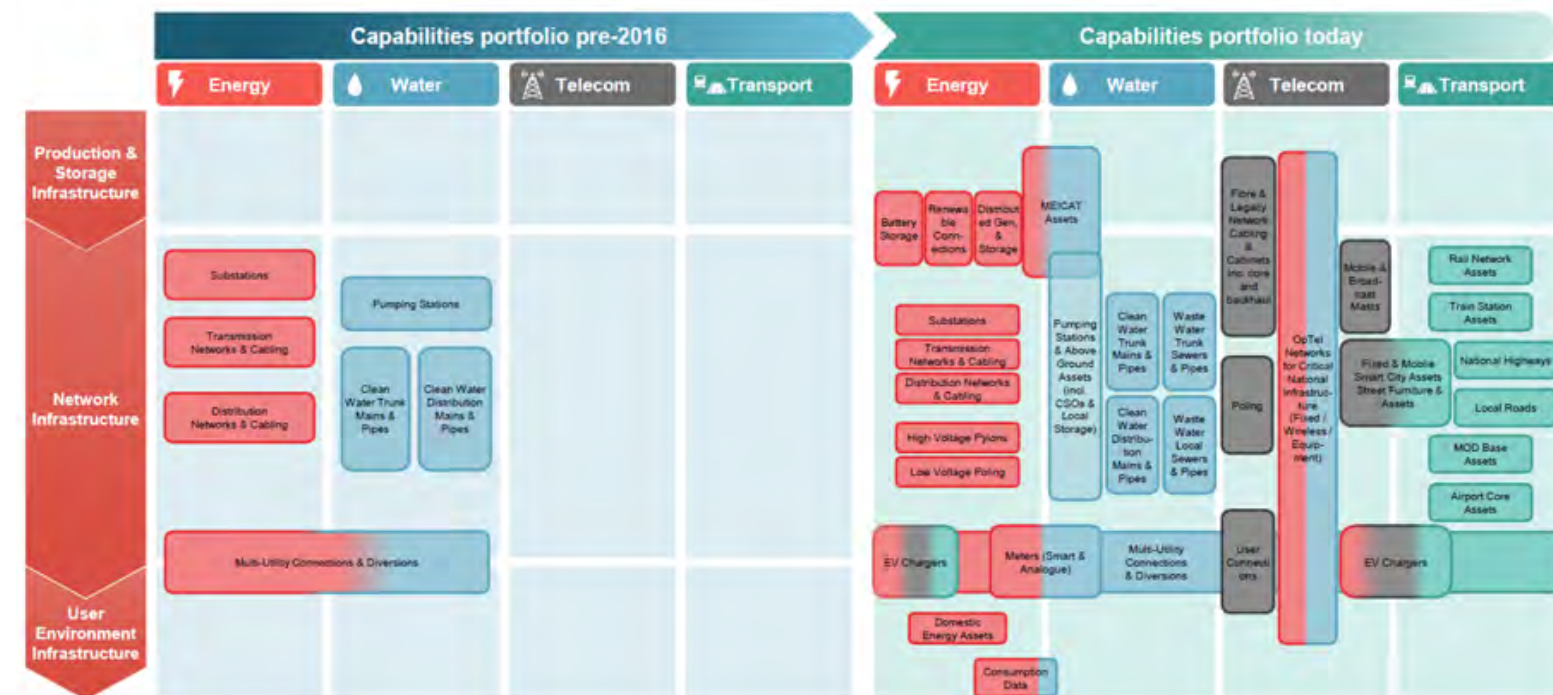
We're committed to making a change and taking our people on that journey with us. We want people to be empowered by this sustainable future and I'm excited to be leading Rail & Aviation towards it.

Making a real difference

While the purpose of our ESG and Innovation Report is to focus on how we are managing our environmental, social and governance activities while undertaking our daily operations, much of much of our core services are helping the UK on its journey to a cleaner, greener future. While we cannot take credit for the ambitions of our clients, we can be proud of what we're helping them to achieve.

We hope you'll agree that, as a Group, we're operating with a sense of purpose, making the country a cleaner, safer and better place to live and work.

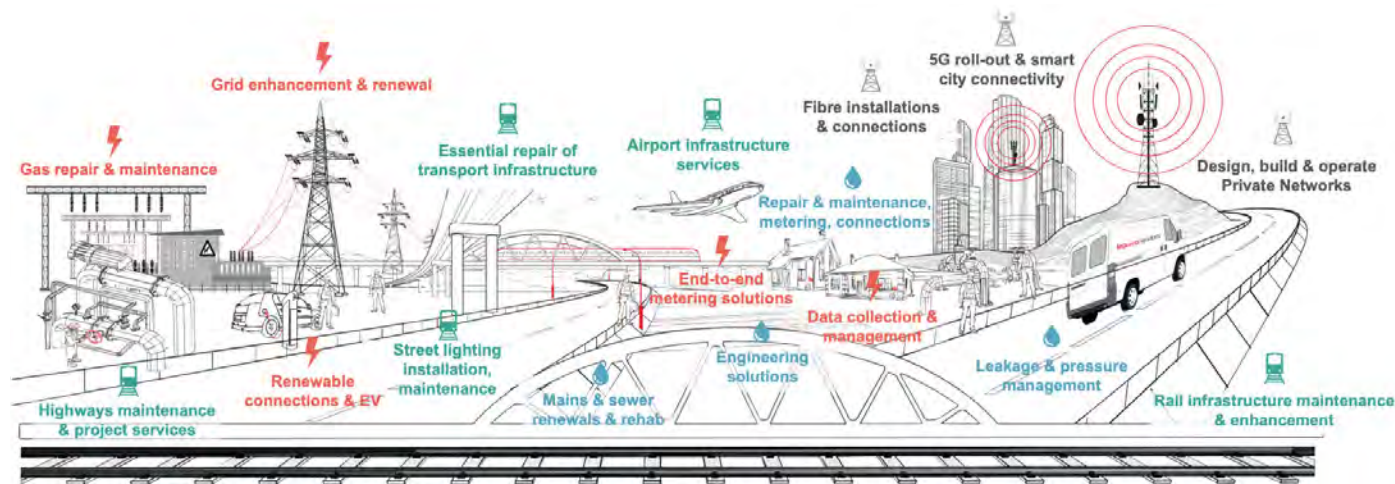
As you'll see in the table on the next page, we've evolved a great deal over the years. Much of our expanded capability involves working with clients to provide real-world solutions for our shared challenges. Whole sections of our business are now dedicated to renewable and clean energy contracts, as well as projects which help the UK move, work, relax and live in a more sustainable and better-connected environment.



It's almost impossible to be in the UK without encountering a service with which we've been involved. In a rapidly changing world, our expertise and commitment is helping to deliver a huge range of projects as a long standing and trusted delivery partner for regulated and unregulated clients in energy, water, telecommunications and transport infrastructure.

This makes us the number one pureplay infrastructure services provider in the UK. We have nationwide coverage, underpinned by comprehensive and robust delivery platforms, backed up by the technical expertise of thousands of skilled operatives.

We underpin this fantastic output with our market-leading environmental, social and governance performance. We're proud to say that we've been independently verified as being in the top one percent of similar companies from an ESG perspective,, and the rest of this report will explain how we got there.



Introduction to ESG

Environmental, Social, and Governance (ESG) principles form the cornerstone of responsible business practices in today's world, providing a comprehensive framework for measuring and improving our impact on the world around us.



Environmental considerations extend beyond global climate and biodiversity concerns to include our local actions. It's about making responsible choices. Our membership in the Supply Chain Sustainability School reflects our commitment to extending these practices throughout our network of suppliers and partners.

both internally and externally. It covers our compliance with legal requirements, our approach to inclusion as an employer and service provider, and our engagement with the communities we serve. This includes investing in local skills and training, supporting local suppliers, and maintaining open dialogues with community groups.

The **Social** aspect of ESG encompasses our behaviour



Governance is crucial to responsible operations. It includes our approach to workforce safety, which is particularly important given the inherent risks associated with some utility assets. It also covers financial, legal, compliance and even behavioural issues, as well as our management of data and information security.



SUPPLY CHAIN SUSTAINABILITY SCHOL

Together, these three factors provide a foundation for responsible operations that goes beyond traditional corporate responsibility. ESG offers a structured approach to measuring our performance against industry peers, driving continuous improvement in how we interact with our environment, our communities, and our stakeholders.

Reasons why our ESG performance affects our business:

In our role as a responsible and ambitious infrastructure partner, we recognise the far-reaching impact of our ESG performance. Our commitment to open communication and collaboration ensures our ESG efforts resonate across various stakeholder groups.

A good ESG performance matters to:

- **Our Clients:** Spanning regulated and non-regulated sectors including gas, water, electricity, data, telecom, roads, rail, and aviation across the UK. They increasingly value partners who share their sustainability goals.
- **Our People:** We've attracted talent specifically due to our robust ESG offering, demonstrating how our values resonate with the workforce we aim to build together.
- **Investors:** Our private equity owners see strong ESG credentials as indicative of lower risk and higher potential, aligning with their ambitious investment strategies.
- **Lenders:** Better ESG performance can translate into reduced capital costs, reflecting our responsible financial management.



What is a Good ESG Performance worth?

The value of a good ESG performance

A strong ESG performance is not just about complying with the law. It's about creating lasting value for a wide range of stakeholders while actively contributing to the communities and environments we serve. This provides us with:

- **Enhanced Retention and Development:** Our workforce finds purpose in our shared commitment to responsible business practices, fostering loyalty and growth.
- **Improved Client Relationships:** As ESG factors gain prominence in tenders, our strong performance helps win and retain clients who value sustainable partnerships.
- **Financial Benefits:** Reduced borrowing costs and potentially higher company valuations make us an attractive proposition for investors and lenders alike.
- **Innovation Driver:** Our ambitious ESG goals often spark innovative solutions, keeping us at the forefront of sustainable infrastructure development.
- **Regulatory Compliance:** A strong ESG focus ensures we're not just meeting but often exceeding evolving regulatory requirements.
- **Risk Mitigation:** Comprehensive ESG strategies help us anticipate and address potential environmental and social risks, safeguarding our operations and reputation.

It's a culture that underpins our commitment to being a responsible, open, collaborative, and forward-thinking organisation in the UK's critical infrastructure sector.



Our ESG strategy

Our ESG strategy is to ensure we set and maintain high standards across appropriate sectors of our business by being aware of our own performance, measuring ourselves against our peers and the standards set by external agencies and organisations which can help us to improve.

We aim to continually improve by learning from expert agencies, engagement with the wider business community and by listening to our stakeholders. Our goal is always to be a leading exponent of ESG related activity in our industry, and to report honestly and transparently on all our ESG related activities.

We are encouraging a sense of shared purpose to act as a positive force for change. Our leadership in this sector provides an approach which is sustainable, responsible and respectful, creating a beneficial impact on the environment and communities in which we work.



How we align with UNSDG

Aligning with the United Nations Sustainable Development Goals (UNSDG) enables us to take a targeted approach to our efforts, providing a framework of accountability while giving us the freedom to take ownership of our own delivery standards.

UNSDGs provide an internationally recognised blueprint for a more sustainable future. Our strategies and initiatives are designed to contribute meaningfully to relevant SDGs (those that fall within our scope of operations) ensuring that our business activities support broader societal and environmental goals. These goals align with our own sense of integrity, ensuring we not only do the right thing, but we have a means of reporting on the choices we make.

After careful analysis and consideration, we've identified eight goals where our operations have a material impact:



SDG 3 (Good Health and Well-being): As infrastructure providers, our work directly impacts public health and safety. From ensuring clean water supply to maintaining safe transportation networks, our projects contribute to healthier communities.



SDG 5 (Gender Equality): We're committed to fostering a diverse and inclusive workforce, with a particular focus on increasing gender representation in our traditionally male-dominated industry.



SDG 7 (Affordable and Clean Energy): Our work in energy infrastructure plays a crucial role in transitioning to more sustainable power sources and improving energy efficiency across the UK and Ireland.



SDG 8 (Decent Work and Economic Growth): As a major employer, we're dedicated to providing fair, safe, and rewarding employment opportunities, contributing to economic growth in the communities we serve.



SDG 9 (Industry, Innovation and Infrastructure): This goal lies at the heart of our business. We're constantly innovating to build resilient infrastructure and foster sustainable industrialization.



SDG 11 (Sustainable Cities and Communities): Our projects directly contribute to making cities and human settlements inclusive, safe, resilient, and sustainable.



SDG 12 (Responsible Consumption and Production): We're committed to sustainable procurement practices and efficient use of resources in our operations.



SDG 13 (Climate Action): Our decarbonisation efforts and climate-resilient infrastructure projects directly address this crucial goal.

Throughout this report, you'll find examples of how these SDGs are shaping our practices, influencing our decisions, and driving our innovations.

UN Global Compact participation

In November 2023, we submitted our first report to the United Nations Global Compact. This was a significant moment for our company as it marked our commitment to become accountable for a whole suite of activities which had previously been largely left to individual consideration.

Our participation in the UN Global Compact reflects our dedication to implementing universal sustainability principles. The report we submitted confirmed our commitment to sustainable and responsible business operations, and explained our progress in areas such as:

- **Governance** - the policies we have in place, as well as factors such as our Board membership, executive pay and data security
- **Human Rights** - ensuring our people, supply chain and the communities in which we operate are treated fairly and with respect
- **Labour** - How we look after our own people and ensure our suppliers do the same
- **Environment** - Covering a wide range of questions from our impact on the ecology of areas in which we operate to our actions to reduce climate change
- **Anti-corruption** - Ensuring our management processes and rules ensure the integrity of our company matches the high standards of our individuals

Our next report to this organisation is due to be submitted at the end of July 2024, and will then become an annual requirement for our Group.

Emma Bennett
Group Carbon & Climate Change Manager



As we navigate the complex landscape of sustainable development, the United Nations Sustainable Development Goals (UNSDGs) continue to serve as a beacon, guiding our efforts and measuring our impact on a global scale. These goals represent the gold standard in assessing a company's contribution to creating a more sustainable and equitable world. At M Group Services, we've not only embraced these goals but woven them into the fabric of our operations, strategy, and reporting.

Throughout this report, you'll find numerous examples of how these SDGs are shaping our practices, influencing our decisions, and driving our innovations. We've made a concerted effort to highlight initiatives, case studies, and metrics that demonstrate our progress in each of these areas. From our Carbon Reduction Group's efforts aligning with SDG 13, to our diversity initiatives supporting SDG 5, each section of this report reflects our commitment to these global goals.

A CAST OF THOUSANDS

Measuring our ESG performance



Since October 2021, M Group Services has engaged one of the top global ESG risk ratings agencies (Sustainalytics) to conduct an independent assessment of our company's exposure to material ESG risks. M Group Services has been classified as a 'Business Support Services' sub-industry and is required to disclose information relevant to 55 industry-specific ESG indicators. These are then compared to other business support services companies and a wider 'universe' of companies currently totalling more than 16,000 worldwide as at April 2024.

We're proud to report that our dedication to ESG excellence continues to yield impressive results. For the financial year 2022-23, we achieved a Sustainalytics ESG Risk Rating of 8.0, an improvement from our previous year's score of 8.3, which itself was a significant gain from our initial rating of 9.6.



Our current Sustainalytics rating continues to secure our position in the 'negligible risk' category and ranks us among the top performers globally. While we're immensely proud of this accomplishment, we recognise our ESG journey is far from over.

Our scores to date are marked out of 100, with lower numbers (risk factor) being better:



Minimising ESG risk exposure

To further assist with our financial risk mitigation, we have a dedicated risk team, which is fully aware of ESG-related risks, which are incorporated into our Xactium risk-management system, resulting in these factors being considered in all policies and processes in our Business Management System. We also subscribe to Shoosmiths reports, which provide us with additional insights and information relating to developments across the world that might impact our business model and the risks to which we are exposed.



Looking Forward

As we embark on the next phase of our ESG journey, we remain committed to putting ESG factors at the heart of our thinking and decision-making processes. Our consistent improvement in Sustainalytics ratings over the past three years is a testament to this commitment.

One key initiative we're working towards is the adoption of Global Reporting Initiative (GRI) standards for our next annual ESG and Innovation Report. The GRI framework is internationally recognised and would provide a comprehensive structure for disclosing our ESG impacts. By aligning our ESG and Innovation Report with a GRI index, we would be committing to report against a broader range of ESG factors, some of which we haven't previously published. This increased transparency would not only demonstrate our commitment to accountability but also help to identify new areas for improvement.

Implementing enhanced reporting standards could significantly enhance our ESG performance in several ways:

- **Comprehensive coverage:** International reporting standards cover a wide range of ESG topics, ensuring we address all material issues relevant to our industry and stakeholders.
- **Stakeholder engagement:** GRI emphasises the importance of stakeholder engagement, which could lead to more targeted and effective ESG initiatives.
- **Comparability:** GRI standards allow for easier comparison with industry peers, helping us benchmark our performance more effectively.
- **Data quality:** The rigorous reporting requirements of GRI could drive improvements in our data collection and analysis processes, leading to more informed decision-making.
- **Continuous improvement:** Regular reporting against GRI standards would create a structured approach to identifying gaps and setting improvement targets.

While Sustainalytics has provided us with valuable insights into our policies and processes, we're also exploring other rating agencies that could offer a more granular look at our day-to-day operations. Our goal is to ensure that our excellent policies and systems are being effectively implemented across our Group.

Next year, we expect to start a new relationship with Ecovadis, an organisation which will assess our ESG credentials based on evidence obtained from our site-based operations. We'll keep you posted on these developments later in the year.

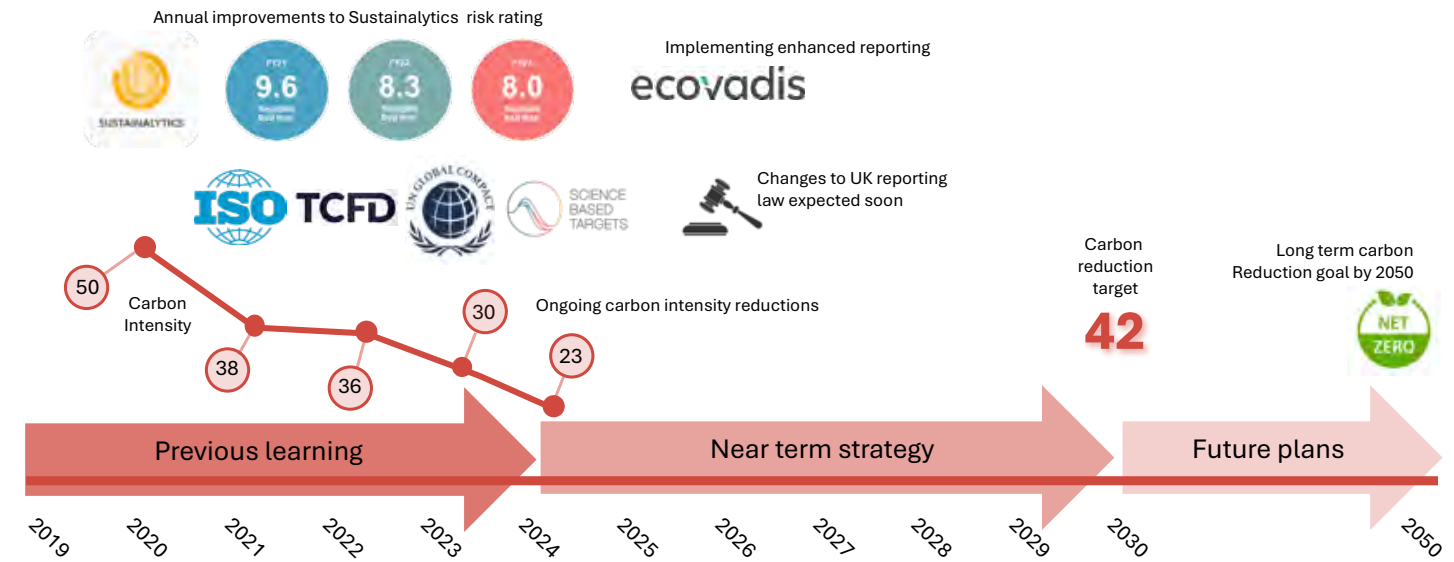
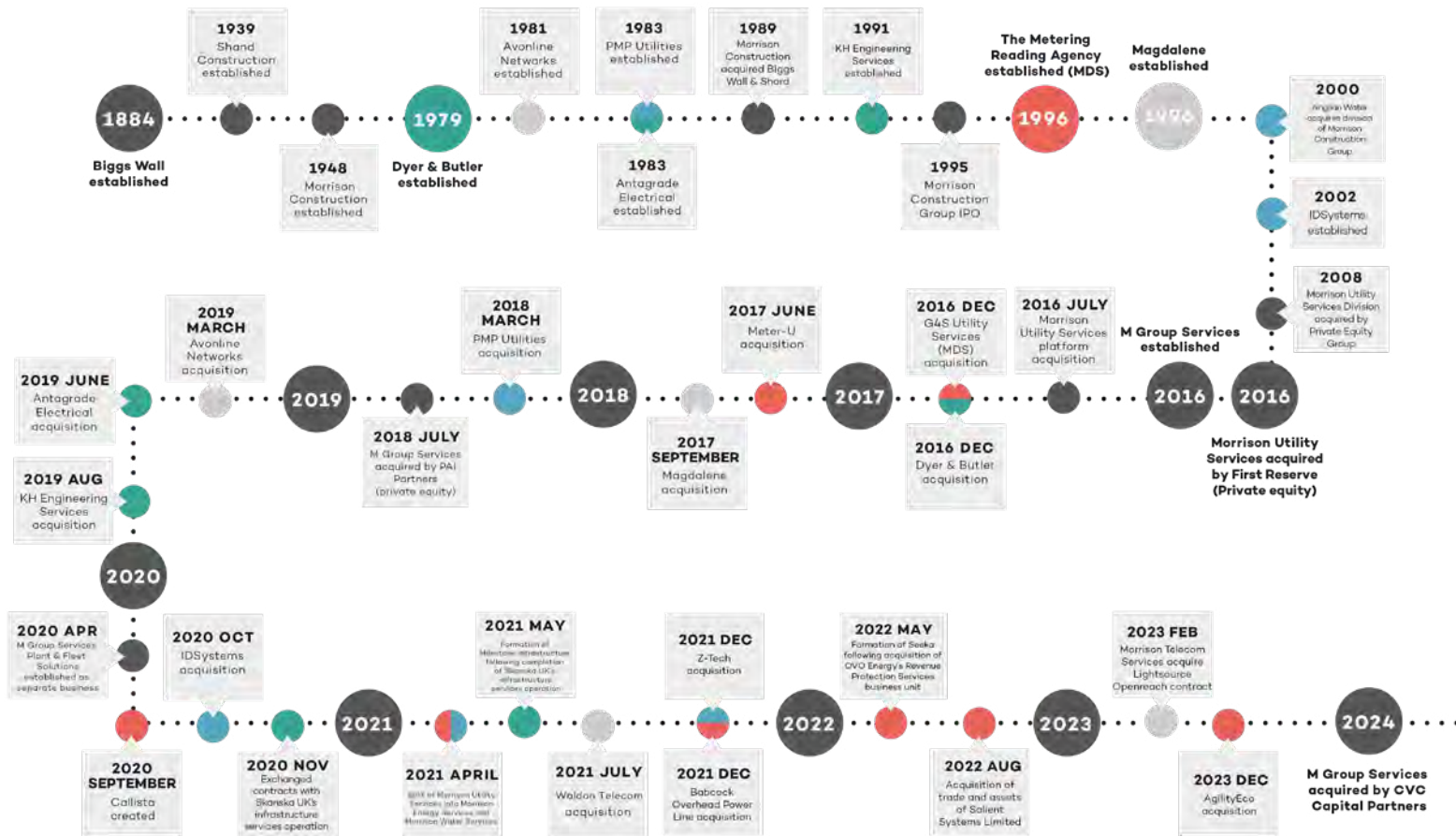
Continual improvement

In 2021, we invested in our Director of ESG and Innovation, Andrew Hunt, to lead our development in ESG-related fields. This is a Board-level role that has ensured these issues remain high on our agenda and foremost in our minds. After Andrew's appointment, (which has now developed into a dedicated team), we have an approach in place which covers all aspects of ESG-related practices or policies.

We ensure compliance through several forums and working groups, which include:

- Carbon Reduction Group
- Risk management boards and committees
- Waste Reduction Forum
- ENABLE – Diversity and inclusion
- AI Working Group
- Safety Management Committee
- Audit Committee

After ESG audits are complete, our annual ESG score from Sustainalytics is presented to us, along with feedback on where improvements can be made. These feedback areas are then used to help us challenge our own assumptions and blind spots to make changes to the way we work and to implement systems that will lead to improved scores and performance.



In 2019, we set a target in our five-year decarbonisation strategy to save 5% GHG emissions year on year. The plan was ambitious for its time and helped us put in place measures which are yielding dividends today.

Every year since then, we've produced a report explaining our efforts and results, and each time, we've been able to share good news about our progress. We've come a long way since then, but it's only through taking those early steps that we're now able to look towards the future with confidence.

We've reported our progress through ESG reports, and in each one, we've shared our current focus Headlines for our ESG reports, by year:

2019 Report

Production of first Decarbonisation Strategy

2020-2021 Report

First Sustainalytics risk rating report

2021-2022 Report

Appointment of ESG director

2022-2023 Report

Improving ESG Score and ISO 14064 accreditation

2023-2024 Report

Submission of science-based target



Meet the Team

The ESG&I team are proud to work alongside some of the brightest and most driven people in the industry. This report highlights how the passion and drive of our talented people is enabling us to make real changes to the way we do business.

Our leadership team comprises individuals with diverse expertise and a shared commitment to ESG principles. Each member brings unique insights and experiences that drive our sustainable business strategy forward, ensuring that ESG considerations are integrated into every aspect of our operations.



Andrew Hunt
Director of ESG & Innovation

Our team is led by our Director of ESG & Innovation, **Andrew Hunt**. Andrew draws extensively on his background in environmental science and almost 30 years in the essential infrastructure sector.

Having performed in senior leadership positions in client, consultant and latterly the contracting sector, Andrew is able to draw on skills established during his Masters at Edinburgh Business School, and development programmes at Harvard Business School. He has a significant understanding of the crucial role ESG plays in building successful and sustainable businesses, combining financial, infrastructure and societal perspectives.



Emma Bennett
Group Carbon & Climate Change Manager

Emma Bennett is our Group Carbon & Climate Change Manager. She is a Chartered Environmentalist (CEnv) and subject matter expert in climate change and net zero. Emma has 30 years' experience within the environment sector where she has undertaken strategic technical roles to measure and manage environmental harm. This has included roles at the Environment Agency and in the water sector. Emma has recently completed her Masters in Carbon Management at the University of Edinburgh.



David Steele
ESG and Innovation Technical Content Manager

David Steele is our ESG and Innovation Technical Content Manager. He joined the team in the summer of 2023, having spent time in gas and construction management roles. His background in social housing construction generated a wealth of experience of social value and community matters. In common with many of our colleagues, David is a former member of the armed forces, having served in intelligence roles. This has provided a wide range of communication skills which will help ensure we are able to record, catalogue and evidence our ESG and innovation development.

A significant contribution to our ESG&I landscape this year has been made through the Carbon Reduction Group. This cross-functional team brings together individuals from across our group, each possessing unique subject matter expertise and a shared passion for environmental stewardship. Meeting monthly, they serve as a think tank for identifying best practices, setting ambitious goals, and outlining actionable steps to minimise our environmental impact. Their collaborative efforts are instrumental in driving our organisation towards a more sustainable future.

Carbon Reduction Group Members:



Simon Michie
Divisional Quality, Environment and Sustainability Manager
Morrison Energy Services



Joanna Mitchell
Environmental and Sustainability Advisor
Morrison Water Services



Brett Beaumont
Divisional Quality, Environment and Sustainability Manager
Morrison Energy Services



Gerry Archibald
Head of Customer
Morrison Water Services



Christopher Erhard
Carbon Manager
Milestone Infrastructure



Kasia Brown
Commercial Manager
M Group Services Plant and Fleet Solutions



Ben Jacobs-Howe
Sustainability Manager
Dyer & Butler



Richard Smithies
Category Manager
M Group Services



Greater than the sum of our parts: The driving force behind our ESG&I success

At the heart of our ESG&I initiatives lies a diverse and dynamic workforce of over eleven thousand individuals who are actively contributing to our ESG performance and reporting efforts. These dedicated professionals form the backbone of our organisation, infusing our culture with innovation, enthusiasm, and a commitment to excellence in environmental, social, and governance practices.

Our ESG&I approach is strengthened by the collective expertise of various teams across our business:

- Safety, Health, Environment and Quality (SHEQ) specialists ensure we maintain the highest standards in these critical areas.
- HR professionals drive our commitment to fair employment practices and workforce development.
- Customer and community engagement experts foster strong relationships with our stakeholders.
- Training and development leaders ensure continuous growth and learning across our organization.
- Marketing and communications team members effectively convey our ESG message both internally and externally.
- Stakeholder engagement professionals maintain open dialogues with the communities in which we work.
- Contract Directors integrate ESG considerations into our operational activities.
- Volunteers contribute to various initiatives including diversity and inclusion networks, innovation forums, and environmental protection programmes.
- STEM ambassadors inspire the next generation of professionals in our industry.
- IT cyber security experts safeguard our digital infrastructure, ensuring the integrity and confidentiality of our operations.

The collaboration of these diverse teams and individuals creates a powerful force. Our achievements in ESG&I are a testament to the collective effort, dedication, and innovative spirit of our people. It is through their tireless work and unwavering commitment that we continue to challenge conventions, embrace new possibilities, and drive meaningful progress.

Conclusion

Our ESG performance continues to be market-leading and is improving year on year. As we explore new avenues for assessment and reporting, we're confident that we'll uncover more opportunities to enhance our sustainability practices and create value for all our stakeholders.

Our ever-improving results might be significant over time, but each gain represents a subtle shift in the way we do business, brought about through numerous thoughtful and responsible choices, each of which contributes to a more sustainable, equitable, and prosperous future.

The challenges we face – from the climate emergency to social inequality – are complex and interconnected. As a leader in the UK's critical infrastructure sector, we have both the responsibility and the capability to make a significant and positive impact.

Environmental Section



A CAST OF THOUSANDS

Sustainable Progress in our Water Division: Joanna Mitchell's Year in Review

As the Environmental & Sustainability Advisor for our Water Division, I'm pleased to report on a productive and enlightening year. Our team has made significant strides in balancing the delivery of critical infrastructure with responsible environmental stewardship.

Carbon reporting has been a key focus, alongside preparing for the upcoming changes to RPS 211 (an environmental regulation that applies to businesses like ours who deal with excavated waste from utilities installation and repair works which is emergency or unplanned). We've also made promising progress in incorporating Biodiversity Net Gain into our major projects, an area that holds great potential for positive environmental impact.

My role on the Divisional Audit Team has been particularly rewarding. Our successful accreditation by third-party auditors reflects the team's hard work and commitment to maintaining high standards. This process has provided valuable insights into our operations and fostered connections with colleagues across the business, contributing to our culture of continuous improvement and compliance.

A significant part of my work has involved reviewing and updating the Environmental Operating Procedures in the Water Division BMS. This ongoing task ensures our practices align with current legislation and incorporate any necessary changes, keeping us at the forefront of environmental best practices in our industry.

Looking ahead, I'm keen to build on the progress we've made, and with the support of the Carbon Reduction Group, I'm networking within the industry to learn and staying abreast of developments in our field. I'm particularly interested in further developing our approach to environmental issues and Biodiversity Net Gain projects.

It's encouraging to see the proactive attitude of our operatives and colleagues during site visits. Their commitment to environmental safeguarding is a testament to the strong culture we're building within the water division.

As we move forward, I'm confident that our Water Division will continue to meet the challenge of delivering essential infrastructure while maintaining a strong focus on environmental responsibility. It's a balance that requires dedication and innovation, and I'm pleased to be part of a team that values both.

Joanna Mitchell
Environmental and Sustainability Advisor
Morrison Water Services



13 CLIMATE ACTION



Service delivery ethos

Service delivery in a living environment

In the sensitive landscape of critical infrastructure, our commitment to environmental stewardship and safeguarding has never been stronger. From bustling urban centres to tranquil rural expanses, our dedicated teams are at the forefront of delivering essential services. Many of our operations can have a significant impact on the communities and environment around us, and this reporting year, we've redoubled our efforts to ensure our impact is as positive and sustainable as possible.

Building on our successes from previous years, we've made considerable strides in our environmental journey. A key milestone during this reporting period has been our submission to the Science Based Targets initiative (SBTi), demonstrating our commitment to setting ambitious, measurable carbon reduction targets. As we await confirmation of our results, we're already forging ahead with innovative strategies to minimise our environmental footprint.

Gerry Archibald
Head of Customer and Performance
Morrison Water Services



CWA is committed to supporting Scottish Water to achieve the target of net-zero by 2040 and beyond. This is a huge challenge and requires everyone working together to materialise this joint ambition. Over the past year CWA have made significant advancements in the field of carbon leadership, notably the development of a Carbon Champion Network that accelerates the development and deployment of carbon reduction technologies, best practices, and drive significant improvements in operational efficiency and sustainability.

Additionally, the network facilitates knowledge sharing and mentorship, enabling CWA to navigate the complexities of carbon management more effectively. We have also implemented a comprehensive social value framework, the rollout of social value within our business has been a strategic initiative aimed at creating positive societal impact while driving sustainable growth. We have also launched community engagement programmes, partnering with local organisations to support education and healthcare.

Our employee volunteering programme has seen enthusiastic participation, contributing hundreds of hours to various social causes. These efforts have not only enhanced our client reputation but have strengthened our relationships with stakeholders and the communities where we work.

A CAST OF THOUSANDS



Our Approach

Our approach to environmental management continues to be comprehensive and systematic. Most of our operating businesses have independent ISO 14001:2015 certification, ensuring that robust Environmental Management Systems govern our processes and drive continuous improvement. This certification underpins our commitment to carefully planning every project, regardless of scale, to minimise environmental impact and respect the communities in which we operate.

This year has seen a marked shift towards more sustainable operational practices. We've significantly increased our use of ECO welfare solutions, providing environmentally friendly facilities for our workforce. Our route optimisation efforts have reached new levels of efficiency, reducing unnecessary travel and associated emissions. In a bold move towards cleaner energy, we've substantially increased our use of electric and hydrogen-powered plant and equipment, while further adopting non-virgin Hydrotreated Vegetable Oil (HVO) as a lower-carbon fuel alternative for our fleet.

Our ECO Driving programme, leveraging advanced telematics, has yielded impressive results in reducing fuel consumption and emissions across our fleet. We're also pioneering lower-carbon engineering solutions, maximising the use of recycled road compounds, and conducting ongoing trials with innovative, low-carbon materials. These initiatives not only reduce our environmental impact but also drive efficiency and cost-effectiveness in our operations.



We continue to recognise the complex and interdependent nature of our supply chains. Our Environmental Management Plans now incorporate more detailed considerations of local environmental risk factors, ensuring our impact is minimised at every level. For projects in sensitive areas, we've enhanced our Environmental Handbooks, setting out clear expectations for environmental safeguarding.

Our commitment extends beyond compliance with legal and ethical obligations. We're actively seeking opportunities to develop and introduce additional sustainable processes and behaviours across each operating business. This proactive approach is supported by our increasing use of site ecologists and archaeological consultants, who work in close collaboration with environmental agencies, local authorities, community groups, and landowners. Their expertise ensures that our works maintain a strong environmental focus while respecting and preserving our rich heritage and diverse ecology.

As we look to the future, we remain dedicated to pushing the boundaries of sustainable infrastructure delivery. Our journey towards more environmentally friendly practices is ongoing, driven by innovation, collaboration, and a deep-seated commitment to the communities and environments we serve. Through these efforts, we're not just building and maintaining critical infrastructure – we're paving the way for a more sustainable future.



Energy consumption and GHGs

Reducing energy consumption and greenhouse gas emissions is a priority for UK businesses. We are committed to improving our energy efficiency and transitioning to cleaner energy sources to contribute to the UK's net-zero ambitions.

What we mean by scope 1, 2 and 3 emissions:

Scope 1 relates to direct emissions that are owned or controlled by a company, whereas scope 2 and 3 emissions result from the activities of our company but occur from sources that we neither own nor control.

Scope 1 emissions	Emissions from sources that an organisation owns or controls directly – such as the fuel that powers our remaining fossil-fuelled plant or fleet vehicles.
Scope 2 emissions	Scope 2 covers emissions caused indirectly, coming from where the energy we use is produced. For example, the emissions caused when generating the electricity that we use in our offices, welfare facilities and compounds.
Scope 3 emissions	Scope 3 relates to emissions that are not produced by us and are not the result of activities from assets owned or controlled by M Group Services, but by those we are indirectly responsible for through placing demand on supply chain partners when we buy, use and dispose of products.

Our measured total emissions for Greenhouse Gas and Carbon emissions for Financial Year 2023-24 are:



New for this year – our supply chain carbon data

If understanding our own greenhouse gas emissions is a challenging but manageable task, getting to grips with the carbon in our entire value chain to provide a figure for Scope 3 emissions in our supply chain is significantly more demanding. Thanks to the hard work and diligence of a wide range of subject matter experts across the business, we have been able to provide meaningful data on this category for the first time for Financial Year (FY) 2023-24



Kasia Brown
Commercial Manager



Kasia is part of the Commercial Team at M Group Services Plant & Fleet Solutions and an active participant of Carbon Reduction Group. She works with Plant & Fleet to share best practice internally and supports various Group activities to external stakeholders and auditing agencies.

Over the past year, I have actively supported the Carbon Reduction Group by organising a comprehensive fleet audit for ESOS Phase 3 assessments, ensuring compliance and identifying opportunities for efficiency improvements. I've also provided regular quarterly inputs on business carbon intensity measures on behalf of the division, delivering critical insights to drive sustainable practices.

My current focus is based around improving quality of carbon intensity reporting across the Plant & Fleet business, and sharing feedback but also learning from the best practice available across the Group.

A CAST OF THOUSANDS

Case Study 1



MGroupServices
Plant & Fleet Solutions

Turning down the carbon in our fleet

M Group Services Plant & Fleet Solutions continues to work to decarbonise the fleet. In 2024 a new company car scheme was introduced to help lower emissions coming from the car fleet.

The maximum CO₂/Km output on the new company car list is 130g CO₂/Km. Additionally, a new salary sacrifice scheme was introduced, providing more choice to drivers which is restricted to electric vehicles or hybrid vehicles, again to reduce emissions.

As of August 2024, there are 684 fully electric company cars (30.8% of the company car fleet) and 832 hybrid cars (37.5% of the company car fleet).

M Group Services Plant & Fleet Solutions has run trials of hybrid and electric vehicles across various businesses within M Group Services. Trials in electric vehicles were conducted over six months with Morrison Data Services driving a total of 7,500 miles, demonstrating it is a suitable electric option for any operational cars. Morrison Data Services also trialed a range of hybrid vehicles with the Renault Clio Hybrid demonstrating an emissions reduction along with improved MPG. Electric vans are already in the fleet and businesses have been trialling these vehicles to understand their suitability for operational requirements.

M Group Services Plant & Fleet Solutions has identified suitable electric HGV solutions after discussions with manufacturers and conversion suppliers. We can now supply electric HGVs alongside existing Diesel options which can run on Hydrotreated Vegetable Oil (HVO).

A new telematics dashboard has been introduced showing average Idle times, average MPGs, carbon emissions and utilisation by business/division to help target emission reduction.

Battery tools are being introduced on the plant side of the business and oil recycling occurs at our National Distribution centre in Nottingham using the 'Triple R' system.



Our fleet decarbonisation plan

Our Group consists of many companies, all of which have their own unique operational and situational challenges. Because of this, we will not set blanket targets that require each of our businesses to deliver the same savings. Similarly, we're not introducing specific targets for each business that specify a year by which to have a zero tail pipe emissions fleet. These decisions are being made on a case-by-case basis, by each division and business. That said, our Plant and Fleet Solutions business has released a comprehensive Fleet Decarbonisation Plan, which includes:

Company Cars:

- Promote adoption of EV company cars through company car & salary sacrifice scheme.
- Provide Hybrid options until more EV models meet the criteria.
- Reduce the maximum CO₂/Km threshold each time the scheme is reviewed.

Operational Cars:

- Recommend EV cars where suitable.
- Move from Petrol to Hybrid Petrol where EV is not appropriate at the current time.

Light Commercial Vehicles:

- Promote the switch to electric vehicles as a whole.
- Quote and recommend Small and Medium Vans are replaced with an electric version when the lease is due for renewal or tendering for new work.
- Continue to trial Large electric vans to understand where these can be deployed without impacting the operations.
- Investigate 4x4 options when available.

HGVs:

- Recommend HVO is used to fuel HGVs to reduce overall emissions.
- Quote all businesses on electric Volvo HGV options.
- Discuss with Hydrogen HGV manufacturers should a M Group business come with a requirement and have a suitable hydrogen refuelling solution in place.

Fuels:

- Monitor vehicle idle times to target emission and fuel spend reduction.
- Promote HVO use in internal vehicles and external vehicles (where supplier approved).

Charging:

- Deploy electric vehicle charging at offices where financially sensible and demand met.
- Investigate dedicated M Group Services charging hubs in key locations where suitable power is available and demand met.
- Provide temporary charging solutions.
- Advise businesses on the cost benefits of installing home chargers for commercial vehicles over public charging.
- Supply public charging solutions.



Triple R

RRR is for 'Recovery'



Our oil filtration system is helping to significantly reduce the amount of oil we dispose of. It's in operation at our National Distribution Centre in near Nottingham.

The National Distribution Centre has installed an oil recycling device which is dramatically reducing the quantity of waste oil being disposed of, reduce costs for purchase and dramatically reducing our environmental impact.

The system is supplied by Triple R and is a unique product which enables used and waste oils to be cleaned and reused on more than one occasion. This not only reduces purchase costs for new oil, but is also reducing waste, decreasing our environmental impact, reducing transport for deliveries and reducing costs of disposing of oils.

Between November 2012 and May 2014 NDC purchased 4,505 litres of Hydraulic Oil, to service and maintain our fleet of plant and equipment used within our energy and telecommunications divisions. In addition to hydraulic oil, during the same period, we disposed of 15,550 litres of mixed oils including engine oil.

Now the Triple R system has been installed, the waste oil we have been producing is being dramatically reduced. Samples are taken to ensure that the grade of oil hasn't been affected once cleaned. We are now able to reuse the oils, potentially up to five times over, reducing our waste oil output by more than 50%.

This saved a total of 15,000 litres of newly purchased oil, and a potential reduction of waste of up to 50,000 litres over the next 5-year period based on previous usage.

This new process will not only provide a substantial cost saving and reduce the environmental impact of disposing of waste oil but will also allow our fitters to carry out additional maintenance checks on internal parts, as metal fibres in the oil will embed in the filters of the system and allow us to evaluate how much wear or if any damage is present to the internal mechanisms.



Our improvements in carbon intensity



Carbon intensity refers to the amount of Greenhouse Gas Emissions released per million pounds of turnover. This is an important metric because taking only the GHG outputs in terms of their volume would not indicate how much activity those outputs relate to. For example, a company could make significant carbon savings by undertaking fewer operations, but this would not mean that their efficiency had improved.

We've collated our Streamlined Energy and Carbon Reporting (SECR) reported data which includes Scope 1 direct emissions, Scope 2 electricity emissions and our scope 3 business travel figures from across M Group Services' operating businesses and can now verify that our carbon intensity has improved from a benchmark of 50 tonnes of carbon dioxide equivalent per million pounds of turnover (tCO₂e/£m) in 2020, to 23 tonnes Co₂e/£m for FY 2024.

Our commitment to decarbonising is further highlighted by the findings that our greenhouse gas emissions have reduced from 54 Kilotonnes to just under 50 (49.5) Kilotonnes.

These results mean we've not only achieved an absolute reduction in our carbon emissions but made operational changes that have led to us exceeding our own targets; our carbon intensity has more than halved in five years.

The data, obtained through adherence to ISO 14064 reporting standards, reflects a wide range of factors, including benefits from our ongoing Green Fleet Strategy, which has seen the number of miles and hours run via electric and hybrid vehicles and plant rising significantly, along with an accompanying rise in biofuels and a reduction in our use of diesel vehicles.

While we recognise that there's still a long way to go to realise our ambition of achieving net zero before 2050, we're celebrating the fact that this financial year's data is a step towards that goal.

	2019-20	2020-21	2021-22	2022-23	2023-24
Scope 1 (tCO ₂ e)	58,455	44,409	57,299	50,749	46,843
Scope 2 (tCO ₂ e)	857	632	1,339	1,033	1,251
Scope 3 (tCO ₂ e)	5,968	2,941	651	2,387	1,478
Total Gross Annual Emissions (tCO₂e) (SECR)	65,280	47,982	59,288	54,169	49,571
Turnover	1,301	1,263	1,628	1,831	2,196
Intensity Metric tCO₂e/£m turnover	50	38	36	30	23
Combustion of natural gas at sites (tCO ₂ e)	192	221	527	271	221
Fuel use for mobile plant (tCO ₂ e)	6,035	6,207	7,366	696	671
Emissions from fuel use for travel and transport	52,229	37,981	49,405	49,782	45,951
Total Scope 1 (tCO₂e)	58,455	44,409	57,299	50,749	46,843
Purchased electricity for buildings (tCO ₂ e)	857	632	1,339	119	336
Electricity used in vehicles (tCO ₂ e)				915	914
Total Scope 2	857	632	1,339	1,033	1,251
Employee Business Travel (tCO ₂ e)	5,968	2,941	651	2,387	1,478
Total Scope 3 (SECR) (tCO₂e)	5,968	2,941	651	2,387	1,478

* Location-based approach



Reporting to SBTi and ESOS

One of the main difficulties in setting greenhouse gas (GHG) and carbon saving targets is knowing exactly how far we can cut our emissions without impacting on operational and financial efficiency.

In 2019, while trading as Morrison Utility Services, we set a target in our five-year decarbonisation strategy to save 5% GHG emissions year on year. The boundary for this target mirrored our reported SECR (Streamlined Energy & Carbon Reporting) emissions. The plan was ambitious for its time and helped us put in place measures which are yielding dividends today. The challenge for us was being able to measure our own efforts beyond our own emissions boundary and include the indirect emissions from our supply chain.

Fortunately, to help businesses create credible plans, the Science Based Targets Initiative (SBTi) was set-up, led by the CDP, the United Nations Global Compact, the World Resources Institute and WWF.

Around 189 countries signed up to the Paris Agreement in December 2015, which aims to keep the global average temperature increase to well below 2 degrees centigrade. The SBTi allows businesses to demonstrate that their subsequent targets are in line with the agreement and latest climate science – with over 4,200 organisations with approved targets.



We are responding to the climate emergency through measures which are both mitigating and adaptive. This means we've implemented changes to our cultural thinking and operational activities required to meet near-term science-based targets (SBT) and to mitigate our impact on climate change. We operate primarily within the United Kingdom, so we know that the forecasted trend in our changing climate is for warmer, wetter winters and hotter, drier summers, rising sea levels and increased incidents of extreme weather events. These predicted impacts have the potential to not only impact our business activities directly, but also pose risks for our supply chain partners. Our approach to what we do to adapt has begun through the consideration of two future climate scenarios, which we have developed based on Representative Concentration Pathways (RCPs) which first appeared in the IPCC, 2023 Synthesis Report.

Scenario 1: represents an intermediate scenario with a temperature rise of approximately 3°C (from pre-industrial conditions) by 2100. This scenario was considered an appropriate "business as usual" pathway (in which nothing in the world really changes from our current trajectory) as the world has currently already warmed by 1.2°C with the current trajectory estimated to be approximately 2.9°C by 2100.

Scenario 2: represents a potential but likely worst-case scenario, with high greenhouse gas emissions which lead to a temperature rise of greater than 4 °C of warming by 2100.

The introduction this financial year of the review of climate scenarios for the Climate-related Financial Disclosure Regulations 2022, has extended our focus on the risks of climate change and what they pose to our business as we continue to evolve our approach over time.

In last year's report, we explained that in April 2022 we had formally registered our commitment to setting a near term science-based target to 2030 that aligns with maintaining global average temperature rise to below 1.5°C. We made full use of the recommended 24 months to establish our target for their validation, and at the end of March 2024, we submitted our report to the organisation.

Our findings are now under review, with a determination expected in Autumn 2024. This will then provide us with a ratified target from which to set our carbon strategy.

Here comes the science:

The Science Based Targets initiative (SBTi) employs rigorous criteria to designate targets as 'science-based'. This process encompasses setting emission reduction goals aligned with global temperature objectives using approved methodologies. Companies must exclude avoided emissions and offsets, prioritise renewable electricity sourcing, and conduct comprehensive scope 3 emissions assessments.

To qualify, organisations must align their targets with long-term temperature goals and meet SBTi's validation criteria. This includes covering scope 1, 2 and 3 emissions, justifying any exclusions, and addressing all relevant greenhouse gases. Targets should be set at the parent- or group-level, span a defined timeframe, and represent future ambitions rather than already achieved reductions.

The SBTi validation process evaluates targets against minimum ambition thresholds, ensures compliance with criteria, and considers sector-specific requirements. Companies must provide detailed information on emissions coverage, specify target years, and demonstrate that their suppliers also have science-based targets.

This comprehensive approach ensures that 'science-based' targets truly contribute to global climate change mitigation efforts and align with the latest scientific understanding.

ESOS

In July 2024, we will file our next report to ESOS. The ESOS (Energy Savings Opportunity Scheme) is a mandatory UK government programme for large organisations. It requires us to conduct comprehensive energy audits every four years. These audits help us:

1. To identify areas where we're using the most energy
2. To spot opportunities to reduce our energy consumption
3. To find ways to cut our carbon emissions

By participating in ESOS, we gain valuable insights into our energy usage patterns. This information is crucial for developing targeted strategies to lower our carbon footprint. It helps us prioritise the most effective energy-saving measures, potentially leading to significant cost savings and environmental benefits. Ultimately, ESOS supports our commitment to sustainable operations and contributes to our overall carbon reduction goals.

Our Carbon Commitment

As a Group we now have a verified near-term SBT. We have publicly committed to reducing our direct (scope 1) and electricity generation emissions (Scope 2) by 42% of FY22 levels and reduce the intensity of our supply chain purchased goods and services by 52% by 2030. Our strategic review and indicated we can be fully carbon net zero, on all carbon scopes before 2050.



As part of its commitment to being a leader in the

move towards sustainable practice, Milestone has achieved accreditation against the new version of the PAS 2080 (carbon management in infrastructure) standard. PAS 2080 sets out specific, whole-life carbon management requirements for asset owners/managers (clients), designers, constructors, and product/material suppliers. Milestone passed its audit, proving compliance with the requirements for designer and constructor roles at an organisational level.

Breaking news

Charting a Course for Sustainable Growth: Our SBTi Validation Journey

As we mentioned previously, we submitted our data to Science Based Targets and were waiting with anticipation that our targets would be validated. This news technically falls out of scope for our ESG reporting cycle but, we decided we couldn't wait a whole year to share it.

We're proud to announce a significant moment in our sustainability journey: the validation of our science-based targets by the Science Based Targets initiative (SBTi). Achieving SBTi validation is a testament to our commitment to sustainable business practices and a provides a benchmark for our future decarbonisation focus.

Our validated target: ambitious but achievable

Our newly- validated target demonstrates our commitment to achievable emission cuts, through which we have committed to reduce absolute scope 1 and 2 GHG emissions 42% by FY2030 from a FY2022 base year*. M Group Services also commits to reduce scope 3 GHG emissions from purchased goods and services 51.6% per GBP value added within the same timeframe. Our SBTi-validated target will serve as a cornerstone for our ambitious decarbonisation strategy, guiding our efforts to reduce emissions across our own operations. In addition, our target for our supply chain has also been validated. We will work with and select suppliers to reduce emissions

*The target boundary includes land-related emissions and removals from bioenergy feedstocks.



Climate-related risks

Our plans for mitigating climate impact through the lens of a science-based target are underway. However the impacts of climate change and biodiversity loss will be seen for many decades due to historical emissions, and we need to prepare and adapt to this. This reasoning is the basis of the UK statute on Climate-Related Financial Disclosures.

During the year our Head of Risk & Business Continuity (Victoria White) and Carbon and Climate Change Manager (Emma Bennett) further evolved the governance around climate risks and extended the focus onto the risks posed by climate change and how they might impact our business.

Our understanding of possible futures was deepened through the use of climate scenarios. In the UK the projections are for hotter, drier summers and warmer, wetter winters and a rising sea level.

The greatest risks to the business are expected from extreme weather events such as heatwaves and extreme rainfall and storm events, affecting our people and supply chains, and the equipment we use. Our teams routinely update risk management practices in line with the latest information such as the recent Met Office State of the Climate report 2023 which described how the UK experienced, for the first time, seven consecutive days where the temperature was above 30°C in 2023.

As a Group we will continue to support our infrastructure clients to adapt to the impacts of climate change and support the transition to low carbon energy systems, examples of which have been included throughout this report.





Environmental performance

Environmental incident statistics

From our recorded 3,671, 563 hours worked (including 1.3 million digging hours) M Group Services has recorded a total of five serious incidents linked to waste, spillage and air quality. 133 non-serious environmental incidents with corrective actions were recorded.

121 minor equates: 67 spillages, 13 waste, 5 pollution, 9 contaminated land, 11 ecology, 4 trees, 12 others

5 More serious which equates to - 2 spillages, 1 waste, 2 air quality

Please note that not all incidents are an error or oversight by our colleagues. They could be things unknown, such as contaminated ground that comes to light as part of the construction process.

Biodiversity and conservation

Preserving and enhancing biodiversity is crucial for maintaining ecological balance. Our projects incorporate measures to protect local ecosystems and support biodiversity, aligning with UK environmental policies and global conservation efforts.



Simon Michie
Divisional Quality, Environment and Sustainability Manager

“We continue to see the profile of ESG grow within M Group Services and wider society with a clear vision from our leaders to deliver positive outcomes. Stakeholders demand more, whether that is our colleagues, customers, client, or the general public. No longer can we just say what we will do, we increasingly have to demonstrate what we do in more detail. Our published results are transparent, and we are accountable for our activities. The business continues to improve environmental management and governance but now we are seeing a real push on social issues. The Energy Division has its own Carbon Reduction Strategy with supporting Carbon Action Plan and an ESG matrix to help measure and report our performance. This will be a key tool to help drive us forward over the next year and beyond.”

A CAST OF THOUSANDS

Simon Michie: A champion for rivers and community

Simon Michie, the Divisional Quality, Environment and Sustainability Manager for the Energy Division, exemplifies dedication to environmental stewardship and community engagement. For over a decade, Simon has volunteered his time to conduct monthly Riverfly monitoring in Sheffield's local rivers, contributing to the vital Riverfly Monitoring Initiative.

This initiative uses riverflies - invertebrates that spend all or part of their life cycle in freshwater environments - as biotic indicators of water quality. These creatures play a crucial role in the aquatic ecosystem and food chain. Simon's work involves carefully collecting and counting these tiny insects, providing valuable data on river health.

“It gives me great satisfaction,” Simon shares. “I always have the anticipation of what we will find. We're out in all seasons, enjoying fantastic warm summer days but also braving very cold days when the sample trays freeze over.”

Simon's environmental passion extends beyond riverfly monitoring. He serves as the treasurer of the regional bat group and works as a field surveyor for the Bat Conservation Trust, contributing to the protection of these important mammals. Additionally, he chairs the Alexandra Road Community Garden, promoting green spaces and community engagement.

His commitment to the community isn't limited to environmental causes. Simon is a member of the local school's appeal panel, playing a role in the educational community. His diverse contributions have earned him personal recognition with the Green Flag Award for his environmental and community projects.

Simon Michie's dedication to rivers, wildlife, and his local community serves as an inspiring example of how individuals can make a significant impact on their environment and society. His work not only contributes to scientific understanding and environmental protection but also fosters a sense of community and shared responsibility for our natural world.





Dunkeld Pipeline

Working on gas infrastructure on behalf of SGN, Morrison Energy Services undertook a challenging project to replace a 7bar (Intermediate Pressure) gas pipeline along the banks of the River Tay in Dunkeld, Scotland. This environmentally sensitive area, known for its diverse wildlife and pristine rivers, required meticulous planning and execution.

The project scope included installing the pipeline through a country village, along the A9 highway, around a rail tunnel, under rivers, and through fields and private roads. The team employed Horizontal Directional Drilling (HDD) to minimise disruption, particularly when working near water courses. This technique was crucial when drilling near the River Braan's junction with the River Tay, renowned for its salmon.

Environmental considerations were paramount. The team conducted thorough ecological surveys and sought necessary approvals before commencing work. They carefully planned around breeding seasons for local wildlife, including red deer, red squirrels, badgers, bats, and birds of prey. The project's proximity to Pitlochry's famous salmon ladder, which facilitates the annual migration of over 5,000 salmon, underscored the importance of protecting aquatic habitats.

The Scottish Environmental Protection Agency (SEPA) visited the site and raised no issues, testament to the team's environmental stewardship. The use of HDD significantly reduced potential contamination and disturbance to river ecosystems while allowing major roads to remain open.

This project exemplifies how infrastructure improvements can be carried out with minimal environmental impact through careful planning, innovative techniques, and community engagement.





Protecting wildlife while powering the nation by Rebecca Dickson



I'm delighted to be appointed as an Environmental Advisor (Ecology) at Morrison Energy Services. I'm thrilled to bring my passion for wildlife conservation to the critical work we do in upgrading and maintaining the UK's power infrastructure. Recently I was lucky enough to be featured on the BBC's *'Grand Tours of Scotland's Rivers'*, where I shared my love for ornithology, particularly my work with ospreys. Now, I'm excited to apply that same enthusiasm to our projects across England and Scotland. Our work on overhead power lines and substations is essential for keeping the lights on, but it's equally important to me that we protect the environment and wildlife in the areas where we operate. I work closely with our site teams to improve strategies for reducing our environmental impact, and enjoy conducting onsite training. It's incredibly rewarding to see the team's enthusiasm for wildlife grow as they learn more about the creatures we're working to protect.



One of our recent projects, the ZA Overhead Power Line Route refurbishment, showcased how we can successfully balance infrastructure upgrades with wildlife conservation. We identified

Curlew nesting sites near our work area on Lauder common. These beautiful wading birds, the largest in Europe, are facing rapid decline in the UK. To protect them, we implemented innovative dissuasion techniques to encourage nesting away from our work sites. I'm proud to report that alongside our ongoing maintenance works, two Curlew pairs successfully bred and fledged chicks during the 2023 breeding season. This success story demonstrates that with careful planning and the right measures in place, we can carry out our essential work while still protecting vulnerable species.

Much of our work involves working on overhead powerlines, and we regularly encounter various bird species nesting on pylons, including Peregrine Falcons, Kestrels, and Ravens. Each species presents unique challenges, but we're committed to finding solutions that allow us to complete our work while ensuring their protection. Finding safe alternative spaces for birds who want to make our pylons their home is a tricky enough challenge, but the decline of various bird species is a complex issue, influenced by factors such as habitat loss, increased predation, and climate change. While we can't solve all these problems, I believe that every positive action counts. By adapting our work methods, collaborating with environmental agencies, and continually seeking innovative solutions, we're making a real difference.

As we look to the future, I'm excited about the potential to further integrate wildlife conservation into our infrastructure projects. It's not always easy, and we face challenges every day, but the rewards of seeing wildlife thrive alongside our work make it all worthwhile. It's a responsibility I take seriously and a mission that seems to offer new challenges and rewards every day.



A CAST OF THOUSANDS

Conservation in Peterborough

Being good neighbours in Peterborough: achieving biodiversity net gain Milestone Infrastructure, in partnership with Peterborough City Council, is committed to achieving biodiversity net gain targets across its projects. This initiative aligns with the Milestone Environment Strategy and demonstrates a dedication to protecting and enhancing the communities where we work.

In 2022, the Junction 15 carriageway expansion project in Peterborough set a new standard by achieving a biodiversity net gain score of 12.94%, surpassing the typical 10% target set by developers. This success has led to ongoing collaboration with Peterborough City Council to develop methods for improving biodiversity net gain scores on future projects.

Using Natural England's Biodiversity Net Gain Tool, each habitat within a construction boundary is assessed and assigned a baseline value. While most of Milestone's works with Peterborough City Council fall under permitted development and don't have mandatory biodiversity net gain requirements, the team has committed to achieving a 20% gain through habitat creation or improvement.

Key Projects in Peterborough Demonstrating Biodiversity Net Gain:

1. Storey Bar Road project

This project involved widening a junction and creating a shared-use cycle and footway to improve traffic flow and encourage active transport. To mitigate the loss of woodland habitat, the team identified Parnwell Park as an off-site area for biodiversity improvements. Actions included:

- Planting five native tree and shrub species
- Introducing ground flora wildflowers
- Re-seeding cleared road verges with species-rich grassland

The project achieved a net gain score of 21.10%, exceeding the 20% target set by Peterborough City Council.



2. Thorpe Wood Cycleway

This complex scheme involves widening the footway and implementing a cycleway. The team conducted an initial assessment to ensure over 20% biodiversity net gain, focusing on:

- Preserving as much existing grassland as possible
- Implementing trees and hedgerows with mixed shrubs

Through careful planning, the project is set to achieve a 22.18% biodiversity net gain while delivering cost-effective solutions.

3. A16 Norwood project

Building on the success of the Junction 15 project, the team is utilising innovative technology to support biodiversity net gain targets. The A16 Norwood project, which includes introducing a bypass lane and reconfiguring the bridleway footway, serves as a testing ground for advanced environmental assessment tools.

The team is employing BNGAI™ by AiDash, an innovative software solution that uses artificial intelligence and satellite technology to:

- Assess baseline habitats for onsite and potential offsite enhancement areas
- Calculate carbon impacts associated with habitat changes
- Identify potential carbon sequestration opportunities
- Map potential habitat compensation sites within council landholdings



This technology not only helps by collecting accurate data but also reduces the need for manual checks, saving time and costs for the client. It allows for more efficient forward planning of project programmes, ensuring consistent delivery of the 20% biodiversity net gain target.

By leveraging technology and implementing thoughtful design strategies, Milestone Infrastructure is demonstrating how infrastructure projects can contribute positively to local ecosystems. These initiatives showcase the potential for construction and development to coexist with and even enhance biodiversity, setting a new standard for environmental stewardship in the industry.

Through these projects, Milestone is actively contributing to the environmental health of Peterborough.

Safeguarding the local environment

We've summarised a few of our favourite environmental case studies. The map on this page shows a selection of case studies and live sites that have involved environmentally sensitive operations.



Out and About



01 Scalby Mills Overflow Reduction Project

Morrison Water Services is collaborating with Yorkshire Water on a £2.6 million project to reduce storm overflow discharges at Scalby Mills, near Scarborough. The project involves constructing a 572m³ storage tank and an 8.2-meter diameter shaft to hold excess wastewater during heavy rainfall. This initiative is expected to reduce discharges into Scalby Beck by over 80%. The project is part of a broader £180 million investment across Yorkshire to improve water quality and reduce discharges into regional watercourses by April 2025. Completion is anticipated in early 2025, demonstrating a commitment to enhancing local environmental conditions and bathing water quality.



02 Whitby Surface Water Separation Scheme

As part of Yorkshire Water's Storm Spill Reduction Programme, Morrison Water Services is implementing a surface water separation scheme in Whitby. The project involves laying approximately one kilometre of new surface water sewer to manage highway and domestic drainage. This initiative aims to increase hydraulic capacity in the combined sewer and reduce storm overflow discharges during heavy rainfall. The £1.3 million investment is scheduled for completion in October, with work phased to accommodate local needs and minimise disruption during peak tourist seasons. This project exemplifies our commitment to improving water management infrastructure and protecting the local environment.



Water Butts Installation in Yorkshire 03

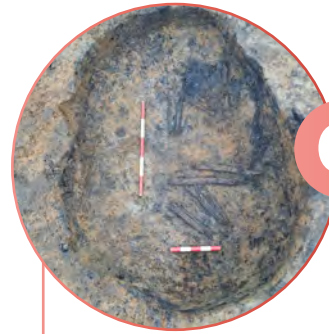
Morrison Water Services has installed over 1,100 large water butts for Yorkshire Water as part of their Storm Spill Reduction Programme. These water butts, each capable of holding 2 cubic metres of stormwater, are designed to alleviate pressure on the network during heavy rainfall. The system allows for 1 cubic meter of water to be available for customer use, while the remainder slowly drains into the sewer network after peak storm periods. This initiative demonstrates an innovative approach to managing stormwater, reducing the risk of overflow, and promoting water conservation among residents.



04 Thanet Sewer Upgrade Project

Morrison Water Services, in collaboration with Galliford Try, is undertaking a major upgrade of Thanet's century-old sewer network for Southern Water. This £80 million, 15-year project aims to upgrade more than 10km of existing sewers in Birchington, Westgate-on-Sea, and Margate to prevent exfiltration and protect the environment and chalk aquifer. The team is using trenchless and man-entry techniques to minimise disruption and reduce the project's carbon footprint. This approach includes UV Cured-in-Place-Pipe lining and sewer patching, demonstrating innovative solutions to infrastructure challenges while prioritising environmental protection.

Out and About



05 Archaeological Discoveries During Full Sutton Project

During the construction of a new sewer near Full Sutton, East Riding of Yorkshire, Morrison Water Services uncovered significant archaeological finds. These include a 4,500-year-old burial monument, a burnt mound, and parts of a Roman road. The project, which involves installing a 5.2km rising main and a sewage pumping station, has been carried out in collaboration with archaeologists. These discoveries provide valuable insights into the area's prehistoric and early historic past. The project team has successfully balanced infrastructure development with the preservation and study of important archaeological remains, showcasing a commitment to cultural heritage alongside environmental improvements.

Salford Quays Waterways Clean-up 06



Apprentices from the Dwr Cymru Welsh Water contract initiated a community project to clean up the waterways of Salford Quays. Working with Salford City Council and Mersey's River Trust, the team removed pollution such as water bottles and shopping trolleys from the water. They also made recommendations for repairs and engaged with the local community through social media and informational posters. This project demonstrates a proactive approach to environmental stewardship and community engagement, improving both the aesthetic and ecological quality of this iconic waterfront destination.



07 Hull's First Permeable Paved Street

Morrison Water Services implemented Hull's first permeable paved street in the Southcoates area to address persistent surface water flooding. The project involved installing non-porous blocks with spaces between them, allowing water to flow through and be collected underneath before entering the sewers. This sustainable drainage solution was designed with community input, balancing the need for parking spaces with improved green areas. The project showcases innovative urban design that enhances flood resilience while meeting community needs and improving the local environment.



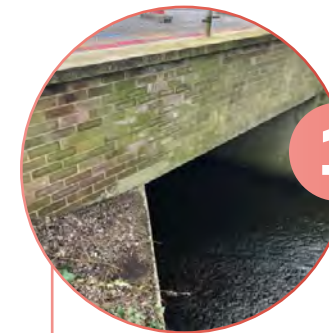
08 Green Rail Electrification in South Wales

Morrison Energy Services collaborated with National Grid to enable the electrification of the Core Valleys Lines in South Wales. The project involved creating a new grid connection and engineering bespoke 275/25kV traction transformers. This initiative supports Transport for Wales in replacing diesel trains with faster, greener battery-electric hybrid solutions. The project contributes to the Welsh Government's plans for a South Wales Metro, promoting sustainable travel and reducing carbon emissions in the region.

Hammersmith Bridge Gas Main Reinforcement Project 09



Morrison Energy Services won an International Green Apple award for environmental best practice for the Hammersmith Bridge Gas Main Reinforcement Project on behalf of Cadent. The project involved laying 2.5km of new medium pressure gas main while implementing various environmental measures. These included recycling excavated soil, using sustainable fuel (HVO), and trialling electric equipment. The initiative achieved a 9,180 kg CO2e reduction in project emissions and a 66% reduction in fuel consumption, demonstrating effective strategies for reducing environmental impact in utility infrastructure projects.



10 Garnier Road Bridge Deck Replacement

The Garnier Road Bridge Deck Replacement project in Hampshire successfully navigated numerous environmental challenges. The project team implemented measures to protect the Site of Special Scientific Interest (SSSI) status of the river and surrounding landscape. This included designing a specialised containment system to capture debris and reuse water. The team also created new habitats for bats and swallows to mitigate the project's impact on local wildlife. This project exemplifies how infrastructure improvements can be carried out while prioritising environmental protection and biodiversity conservation.

Out and About



11 Bough Beech Emergency Works, Edenbridge

During embankment stabilization works near Edenbridge, the project team took innovative steps to minimise environmental impact and enhance local biodiversity. Felled trees were repurposed for community art projects and wildlife habitats. A wooden badger sculpture was created and installed along the public footpath, featuring a QR code providing information about environmental management practices. The team also constructed bird boxes, bat boxes, and insect hotels using surplus materials. This approach demonstrates creative solutions for habitat creation and community engagement alongside essential infrastructure work.

Brighton Beach Clean 12



Z-Tech's specialist projects team working with Southern Water spent a day as volunteers on Brighton beach in May, helping to make sure it stays clean and safe for residents and visitors.

The volunteer day was the idea of Z-Tech project manager, Gerald Cross, who has a keen interest in sustainability. He thought it was a good opportunity for the team to help out in the local community. Z-Tech's people regularly volunteer to help care for beaches and rivers in the South East and London areas.

A CAST OF THOUSANDS

“ Since joining the business in 2023, I've had the pleasure of looking after our 'ESG of the Week' feature, shining a spotlight on just some of the fantastic ESG related stories from across our Group.

I've worked alongside different contracts, clients and local charities and organisations to shine a spotlight on just a small percentage of the great ESG initiatives that take place across M Group Services. What has surprised me most, is just how integrated ESG is in our culture, to the point many do not realise just how integral their actions are to the planet, the communities we work in, and to our clients.

From revamping hospices' gardens to inspiring pupils through school visits, to ensuring we ensure biodiversity net gain on our projects, the actions of our people everyday highlight the great work happening across the Group.

Personal highlights have been Dyer & Butler's work to demobilise its Bough Beech site, ensuring the local badger sett was protected, and Milestone's work to relocate over 2,000 trees in Devon to a temporary nursery, before bringing them back to site.

I look forward to continuing to shine a light on the work undertaken every day to ensure our ESG commitments are met, as we head further into 2024 and beyond.

”

Emma Sherar
Senior Communications Coordinator





Innovative Soil Solutions: a win for the environment at Monk Fryston

Morrison Energy Services Transmission Networks (part of our Energy Division), is working on a 320MW battery energy storage system (BESS) project, on behalf of SSE Renewables, which is breaking new ground - quite literally - in environmental responsibility and project efficiency.

The team has implemented a cutting-edge soil stabilization technique across the Monk Fryston project, Yorkshire, that's saving resources and minimising impact on the environment.

Since commencing work on the project earlier this year, progress has been made establishing and preparing the 'green field' site for the major works that will follow. This has involved extensive works to level the site, create access and consider the extensive ecology that a rural location provides.

Working with Soil Science LTD, our team has introduced a soil stabilisation solution that transforms subsoil into a base that's as hard as concrete but sustainable. As the material can be broken down afterwards and re-used for agriculture, this helps reduce waste. By re-purposing the existing subsoil in this way we've significantly cut down on the need to import stone or remove excess spoil, reducing carbon emissions, disruption to the local community and costs from transport.

Unlike traditional methods that might leave a former site unfit for purpose, our stabilized compound areas can be returned to agricultural use. We are working with the farm landowners to adjust soil pH levels for their preferred crops, so that when we return part of the land for agricultural use, it will be ideal soil for food production.

Our Monk Fryston project is a testament to our commitment to innovation, efficiency, and environmental stewardship. As we continue to push the boundaries of what's possible in sustainable development, projects like this pave the way for a greener, more responsible future in energy infrastructure.

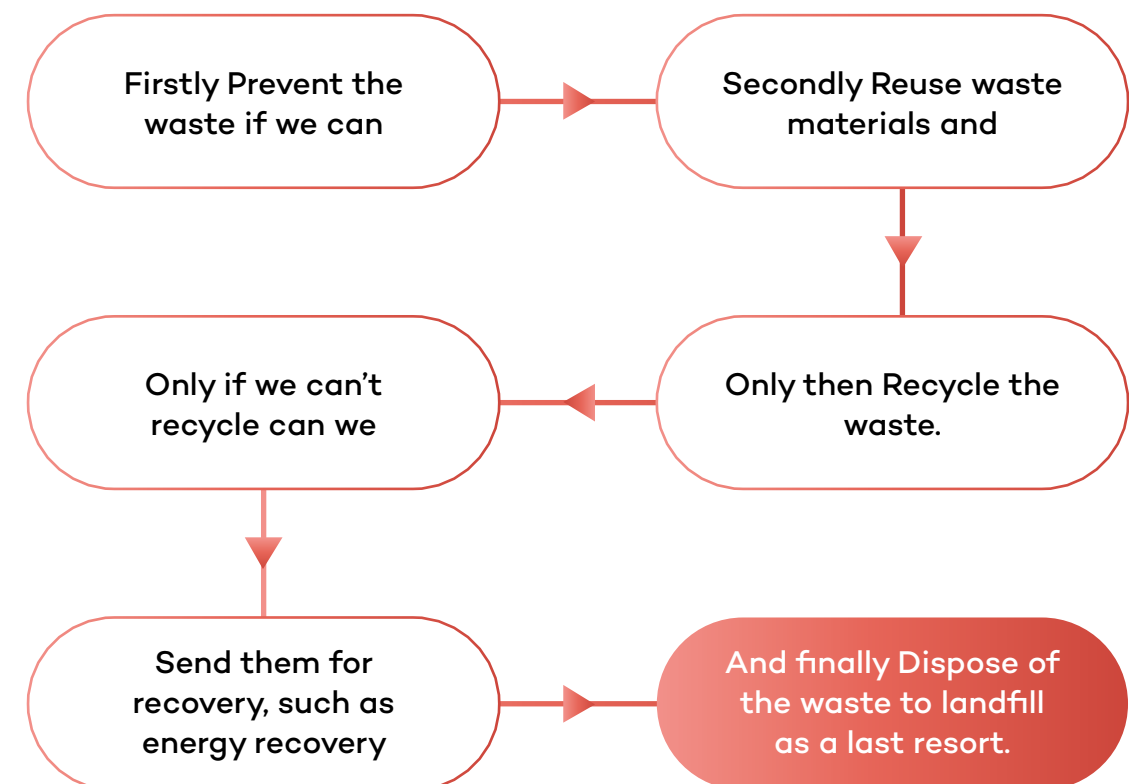


One more time - Recycling in action

Each division across our Group has bespoke but closely adjacent environmental policies, management procedures and guidance notes that are contained within various Business Management Systems. Our Environmental Management Systems, where required, are accredited to meet the requirements of ISO 14001 and we operate to current industry best practice in waste minimisation and recycling. To help augment our recycling activities, we take full advantage of a wide range of industry leading supply chain partners, who work with us not only as recycling agents, but also to minimise the things we throw away, and help us to maximise the circular economy by developing working practices to reduce waste in the first place.

The vast majority of our contracts employ either Environmental Advisors, Managers or Ecological Clerks of Works who, together with our visiting auditors and inspectors, check and verify that each site is compliant with environmental legislation, the requirements of our clients, and with our own high standards. These qualified individuals are on hand to provide guidance on waste management and opportunities to reuse or recycle waste anticipated from the works.

Throughout the Group, each of our operational sites is required to produce a Site Waste Management Plan (SWMP) which is kept up to date. As a live document, we obtain the data needed to measure (and thereby take action to reduce) our waste across the business. Good policies are nothing without an active culture to back them up, which is why our site briefings and toolbox talks focus on taking action to 'reduce - re-use - recycle', with a call to all our colleagues to:



M Group Services Recycling figures for the last two financial years	All figures in Metric Tonnes	2023/24	2022/23
	Inert excavated material - Landfill Site	9,542	52,229
	Inert excavated material - Transfer Station	113,081	60,967
	Inert excavated material - Recycling Facility	84,207	290,443
	Excavated Material re-used on site	102,199	52,730
	Metres of pipe laid (Gas contracts ONLY)	120,962	204,821
	Hazardous waste produced	2,459	7,261
	Type Stone 1 used	30,505	27,807
	Recycled aggregate used	35,188	47,291
	Foam concrete used	476	2,580
General Waste (paper, card, etc.)	2,260	5,367	



Rethinking recycling

Dyer and Butler delivers specialist civil, mechanical and electrical projects and maintenance at major international and military airports, as well as delivering rail enhancements and infrastructure projects covering civils, track, power, electrification and station structures across all rail routes including overground and underground. Working in this critical infrastructure environment where every second delayed has a significant impact, it's important that we don't compromise environmental sustainability during tight deadlines. We've found that it's still possible to be both operationally excellent and great stewards of the environment by minimising our waste in creative ways.

Bramley Substation

Our works generated a significant amount of plastic ducting waste used for the installation of cables, so we looked for opportunities to re-use these in the local community. We found a nearby local branch of the National Animal Welfare Trust that rehomes animals and thought that the ducting would make perfect guinea pig and rabbit runs for their rescue animals. We re-used about 50kg of ducting by cutting this up into smaller tunnels, as well as supporting a local charity through re-using our waste.



Footprints Project

Our Safety, Sustainability & Wellbeing team undertook a volunteering day at a prison leavers centre through the Footprints Project that supports prison leavers. We managed to clear their allotment that had become very overgrown to allow the residents to plant crops for the year. We also made a bench and a compost bin for the residents at the allotment using pallets from our aviation yards that would have otherwise gone for recycling, pleased to be able to both re-use the wood and support a local charity focused on prison leavers.



Recycling in action on our highways

Lighting reuse of lighting on Surrey PFI: We are currently replacing 65,000 lanterns in Surrey, keeping the original streetlighting housings. Following a collaborative discussion with the Council, Milestone suggested only replacing the existing lighting units with modern LED gear trays. Each housing weighs 3kg, so simply replacing old lanterns with new, would have required 195t of aluminium.

Currently 83.2% of our streetlighting electrical waste is recycled (which is above the target for recycling set by the WEEE Regulations), with the remainder sent to waste to energy.

We have a 100% recycling rate for our plastics on the Wiltshire contract and have set a KPI from Year 2 to reduce single use plastics arising on the contract from packaging. We have a Circular Economy policy in place to incrementally improve our reuse and recycling rates on the contract.

Case Study 7



Micheldever Revisited

Last year we promoted the great work Milestone is undertaking with the Micheldever Waste recycling facility. We've had some great data back from them this year, which further shines a light on the team's achievements.

Since establishing Hampshire's Micheldever recycling facility in 2020, we have:

- Saved 966t CO₂e
- Saved £5.6m in waste disposal
- Made £180,500 direct income for Hampshire County Council
- Recycled >45,000t tar-bound asphaltic waste
- Produced >53,500t of cold low carbon material
- Incentivised our supply chain to use these materials through the Contract's commercial model and specified standards.



Case Study 8

Helping reduce waste and pollution in Oxfordshire



Since 2019, Milestone have continually improved its performance against the current Oxfordshire Highways operational performance indicator for 'amount of waste recycled', from 97.70% to 99.10%. We identify risk and opportunities for maintenance schemes early through our design roles. Our dedicated Oxfordshire Environmental Advisor designs out issues early to prevent waste, while our in-house specialists in our Environmental Technical Team (ETT) provide professional consultancy services to clients in obtaining permits for recycling facilities and has supported the council with ecology, carbon, and design.

Tangible benefit: Since April 2023, we saved Oxfordshire County Council £45k by delivering professional environmental consultancy in-house, without external consultants.

Drayton Recycling Facility (DRF)

Our mobile recycling facility recycles hazardous tar-bound planings into material that can be re-used cold on the highway. In 2023, this successfully increased our use of cold recycled material from 700t to over 4,000t. Working jointly with the council, we agreed a change in their policy for use of cold recycled materials as binder and base courses.

Tangible benefit: Since 2018, use of 11,751t of CRBM has saved over £880,000 in cost and 365tCO₂e. We recycled over 20,000t of in-situ tar-bound asphalt, leading to a Green Apple award.

Gully Waste

Working on the Oxfordshire Highways currently generates over 1,000t of gully waste each year. Being full of tar, the waste left behind isn't suitable for recycling. We worked closely with OCC to implement Wet Waste Treatment Bays in Drayton to dewater gully waste. Removing this liquid prior to disposal reduces total weight by 60%. The dewatering bays incorporate filters and settlement chambers to improve water quality for re-use or safe discharge (after testing) into the foul drainage network.

Tangible benefit: Saves 30tCO₂e pa, delivers a £32k saving and achieves 100% diversion from landfill.

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Where the rubber meets the road - Rolling out Elastomac in Devon

We're excited to share the results of our recent trial with Elastomac, a polymer-modified mastic asphalt, in Devon. This innovative material is revolutionising how we approach road repairs, offering a more environmentally friendly and efficient alternative to traditional asphalt.

Elastomac is a flowable, hot-applied mastic that adapts to the shape of potholes and welds itself to the existing road surface. What sets it apart is its composition. Each tonne contains about seven end-of-life waste tyres, significantly reducing landfill waste. This aligns perfectly with our commitment to sustainable practices in infrastructure maintenance.

Devon County Council's trial, conducted with Milestone across Devon's diverse road network, aimed to assess Elastomac's suitability for repairing small to medium-sized defects. We tested it on various road categories, including A-roads, junctions, and areas with high braking and turning forces. The material's versatility allowed us to address issues like sunken trenches and repairs around gullies - scenarios that often prove challenging with traditional methods.

- The trial lasted for six months, running from April to October 2023.
- Trials started with a single gang based in Crediton, then expanded to two gangs - one in North and West (based in South Molton) and another in Exeter covering the East and South.
- The average output for a PMMA (Polymer Modified Mastic Asphalt) gang was 62m²/day, with productivity peaking at up to 120m²/day in ideal conditions.
- Various specific sites were included in the trial, including a 120m stretch of sunken trench in South Molton.

The application process is straightforward yet effective. After minimal surface preparation, Elastomac is heated to 195°C and applied directly to the defect. This eliminates the need for cutting out the damaged area, reducing waste and minimising disruption to road users. High PSV pre-coated chippings are then applied to ensure adequate skid resistance.

Our findings were overwhelmingly positive. Elastomac demonstrated excellent durability, particularly on high-traffic routes with heavy vehicle use. The speed of application was remarkable - we completed repairs on the A377 in Bishops Tawton in a single night under two-way lights, a job that would have required multiple nights and full road closure using traditional methods.



Tangible benefits

From an environmental perspective, the benefits are clear. Our carbon footprint analysis suggests a 23% reduction in CO₂ emissions compared to inlay patching. This figure improves further with larger patch sizes, highlighting the scalability of the solution.

Efficiency gains were substantial. Our teams averaged 62m² per day, with productivity peaking at 120m² in ideal conditions. This speed, combined with reduced traffic management requirements, translates to significant cost savings and minimised disruption to the public.

The success of this trial has led to exciting developments. Devon County Council has now partnered with us to roll out Elastomac across its entire area, and extend training to its workforce to include in its outputs. We've noticed a marked increase in public compliments since implementing this system, with people appreciating the neater repairs, especially on minor works.

Feedback from our operational teams has been overwhelmingly positive. They enjoy using the new system and report high job satisfaction, although they note it can be challenging work in summer heat due to the high application temperature.

As we continue to refine our approach and address challenges like optimising chipping application and adapting to varying weather conditions, we are confident that Elastomac represents a significant step forward in road maintenance. It's not just about filling potholes; it's about doing so in a way that's faster, more cost-effective, and kinder to our environment. This trial has reinforced our commitment to innovation and sustainability in infrastructure management, and we're excited about the positive impact this will have on our communities and the environment.



Before



After



Social Section



Investing in our people

One of the true privileges of being Group HR Director at M Group Services is the delight that I get from seeing the business continuously develop, achieving ever improving status both in our industry and for the people within the business who continue to achieve outstanding results and grow as individuals. Whether it is having the joy of witnessing our new Apprentices and Graduates start their journey in M Group Services or seeing our talent achieve personal and career goals, or indeed seeing our work with the ex-Armed forces colleagues or ex-offenders, it is a blessing difficult to quantify.

Over the last 12 months, the People function at M Group Services has been working collaboratively through a period of real change as we prepare the function to support the next stage of growth. Our continued investment in attracting great people, helping them discover new talents and build in confidence as well as acquiring new skills is all evidence of our sector leading status. The next 12 months will see us continue to evolve our Oracle self service capability, enabling and empowering our people, as well as creating efficiencies which give them more capacity to invest in themselves and the people around them, but we will also build the very best services we can around attracting talent, developing and building the talent and ensuring that we reward our people for their effort. And we will do this in environments which are equitable, inclusive and increasingly diverse. Growth over the last 12 months of our employee resource groups and continuous evolution of EDI interventions support our journey where everyone can be themselves at work.

Our goal continues to be to Attract, Develop and Retain the very best!



Colin Jellicoe
Group HR Director at M Group Services



People Services disclosure

Labour, human rights and freedom of association

Upholding labour and human rights is fundamental to our operations and essential to our alignment with United Nations Sustainable Development Goals. We adhere to UK employment laws and international standards, ensuring fair treatment and respect for all individuals associated with our business.

We are committed to upholding the dignity, wellbeing and human rights of all those who work for the Group along with our supply chain partners, the communities in which we operate and those affected by our operations. Although the majority of our workforce is not unionised, some of our businesses encourage this where appropriate, and we recognise the right of our people to expect freedom of association and collective bargaining where appropriate.

Our key principles and scope for our alignment with Human Rights is included in our document “The Way We Work”, which you can learn more about in our governance section.

The following table sets our gender diversity position across the Group as at 31st March on both 2023 and 2024. The overall proportion of female employees has increased from 18.3% to 19.5%, with the proportion of females in Director level roles at 13%, has improved on last year’s figure of 11.6%.

Role Level	31 March 2024			31 March 2023		
	Female	Male	Total	Female	Male	Total
Director	16	123	139	17	129	146
Senior Managers	394	1,467	1,861	269	1,475	1,844
Employees	1,856	7,715	9,571	1,637	7,385	9,022
Total	2,266	9,305	11,571	2,023	8,989	11,012

Our diversity progress

- We’ve made several changes during this year to attract more women, including the way we word our job advertisements, and making sure we use more neutral language
- We’ve learned from our people encouraging flexible, remote and hybrid working
- Work continues to improve inclusive hiring processes
- An increase of 2% female new hires (now at 22%)
- 11% of new hires are non-white. We are committed to improving our diversity to reflect the communities we work in.

New hires and workforce turnover:

The nature of our business means we often work for clients on contracts which cover a wide geographical area with a local workforce that stays in place regardless of which company manages them. This process, known as TUPE (Transfer of Undertakings (Protection of Employment)) is a system that protects employees' rights when a business transfers to a new employer or a service is transferred to a new provider. This means we might lose or gain a number of colleagues from new contract wins or the expiry of existing agreements in which we are incumbent.

	Female	Male	Total
Leavers and starters			
Starters	669	2,399	3,068
Leavers	590	2,537	3,127
Departure analysis			
Voluntary	368	1,533	1,901
Non-Voluntary	222	1,004	1,226
Average headcount = 11,273			

Headcount by Salary Bands

Salary Band	Up to 20yrs	21-30yrs	31-40yrs	41-50yrs	Over 50yrs	Total
Under £40,000	156	1,828	1,584	1,150	6,997	11,715
£40,000 to £70,000	1	299	854	849	1,004	3,007
Over £70,000	0	12	156	238	380	786
Total	157	2,139	2,594	2,237	8,381	





Benefits provided to full-time employees that are not provided to temporary or part time employees

There is no difference in what we offer in benefits to part time and full-time colleagues, the only difference is that some may be pro-rotta, although this does not apply to all benefits.

- Contributory Pension Scheme subject to qualifying criteria. The Company will also add a contribution for members of the scheme.
- Life Assurance
- Car allowance and / or company car scheme with plans for an additional salary sacrifice scheme planned for next year
- Paid annual leave, including bank holidays (Rates vary on some contracts).
- Sick Pay (rates vary on some contracts).
- ‘My Rewards’ portal offering thousands of exclusive benefits, including a wide range of retailers discounts and cashback on things such as grocery shopping, clothing, DIY, cinema tickets, gym membership, holidays and dining out/takeaways.
- Employee Assistance Programme – an independent and confidential helpline available 24 hours a day, 7 days a week . Many of our contracts also extend this service to our supply chain partners
- Online GP service – a 24 hour service where you can receive unlimited advice, reassurance and where appropriate, diagnosis
- Long Service Awards
- Cycle to Work scheme
- Salary Finance financial wellbeing platform offering free online advice and savings tips.
- Give As You Earn – the option to donate to a charity of your choice via the payroll in a tax-effective way. Full details can be found on ‘My Rewards’.
- Voluntary Cash Plan– a health and wellbeing plan designed to offer financial assistance for everyday and emergency medical costs such as dental & optical, physiotherapy, osteopathy, chiropractic and hospital stays. 4 levels of cover to choose from.
- A range of occupational health and wellbeing services including access to Mental Health First Aiders.
- Training and Development opportunities.



Whistleblowing

Our robust whistleblowing procedures ensure that any concerns about unethical or illegal practices can be reported safely and confidentially, promoting transparency and accountability throughout our organisation.

0800-89-0011
(then dial: 833 573 1738)

mgroupservices.ethicspoint.com

For the reporting period, there have been 31 cases raised through the whistleblowing line. Just under a quarter of these (7 cases) which were deemed to be personal grievances. Some of the seven relate to the same incident but were reported several times.

Each case is investigated fully, with corrective actions and recommendations to adjust or modify working practices resulting from each after-action review.

Substance Abuse	5	16.13%
Theft or misus of company assets/services	5	16.13%
Employee relations	4	12.9%
Discrimination	3	9.68%
Fraud	3	9.68%
Others	11	35.48%
Total	31	



Equity, Diversity & Inclusion

We celebrate diversity and are committed to creating inclusive workplaces free from discrimination and harassment, reflecting the rich diversity of the UK workforce. One of the key ways we promote this is through our Inclusion Forum, which combines talents of a wide range of individuals from across the business.

Inclusion Forum:



Kerry Duke
Contract Director
Water Division



Ben Harrison
Operations Manager
Water Division



Kirsty Jones
HR Director
Rail & Aviation



Charlotte Orsmond
Proposals Writer
Rail & Aviation



Bethany Wells
Business Graduate
Rail & Aviation



Hiro Ng
Procurement Lead
Rail & Aviation



Clare Wheeler
Head of Learning &
Development
Energy Division



Kirsty Fuller
Finance Director
Telecom Division



Aleks Iremonger
HR Business Partner
Highways Division



Walker Grevel
Senior Engineer
Highways Division



Gita Bapodra
Finance Director
Highways Division



Helen Clifford
National Rental
Operations Manager
Plant and Fleet



Simon Bulling
Depot Manager
Plant and Fleet



Sorahya Jenkins
Organisation
Development Manager
Group support



Kate Tonge
Head of Marketing and
Communications
Group support



Liam Papworth
Internal
Communications
Manager
Group support



To make sure the outputs and findings from this forum have a meaningful impact, the forum has senior level sponsorship from two executive board members, Alain Looseveld (Chief Operating Officer) and Colin Jellicoe (Group HR Director).

The Group has made five commitments:

1. To ensure the ENABLE Framework or its equivalent is adopted Groupwide
2. A Calendar of Group recognised ED&I events throughout the year is agreed as a minimum level of engagement on the initiatives.
3. A strategy for improving the completion of diversity metrics is established and implemented
4. Increase of scores in our People Engagement Survey around inclusion, which will be evidence that our people feel that they can speak up and develop within the group
5. A commitment to one Employer Forum that represents the entire Group, is accepted as a leader in its field and recognised by our clients and the ESG community

The active forums include:

- ENABLE frameworks in Four Divisions, with a Inclusion Network and Pride Network in our Transport Division
- An additional Ethnicity and Culture working group in our Water Division
- Additional Women's Networks in Water and Transport Divisions



A CAST OF THOUSANDS

Equity, Diversity and Inclusion (ED&I) are critical to the success and growth of every business.

At our Rail & Aviation division, ED&I continues to be fostered through our ENABLE staff networks since its formation in 2021. The ENABLE framework helps break biases across a wide range of social groups from ethnicity and culture, neurodiversity and disability, age and gender bias to enabling social mobility. As staff-led networks, our employee engagement is achieved through year-round awareness campaigns, knowledge sharing infographics and webinars, and robust discussions spurred by our ENABLE Champions. Evidently, our employee Networks have opened conversations and provided safe spaces where individuals feel comfortable seeking advice on specialist inclusion topics amongst our Champions and their peers. We also promote the next generation of leaders into industry through our STEM, graduate and apprenticeship programmes, with special focus on encouraging women, LGBTQ+ and ethnic minority people into the industry.

This year, ED&I has gained a special focus at M Group Services with the birth of the group-wide Inclusion Forum bringing together existing Employee Resource Groups (ERG) from all divisions such as our Water Division's Women's and REACH network and Milestone's Inclusion, Pride and Women's Network to collaborate and share best practices, demonstrating clear commitment by the businesses of the importance of ED&I within our organisation. The robust structure of the ENABLE Framework was so well received that it is currently being adopted by other M Group divisions.

It has been very rewarding this past year to see the Networks across the divisions being formed and working synergistically by sharing best practices and collaborate on delivering tailored initiatives across such a wide target audience. The energy of our network leads is infectious. Not forgetting the unwavering support from our exec and senior leaders who have stepped forward as visible role models, recognised not only internally but by our clients and external stakeholders. Working collaboratively across divisions, tapping into diverse mindsets is a clear demonstration that bringing together a group of diverse individuals with different ideas, approaches, and problem-solving strategies produces positive outcomes in whatever setting it may be.

ED&I shouldn't be an organisation tick box exercise and I am proud how our ENABLE networks have their origins as a staff-led initiative which has gained enough momentum to influence



Hiro Ng
ENABLE Champion & Procurement Lead

These commitments underpin our Group-wide inclusion Forum Strategy:

- Include inclusion commitment as a part of the job description in advertisements.
- STEM
- Disability confident employer
- Review hiring processes
- Unconscious bias training for hiring managers
- Talent development
- Mentoring & reverse mentoring
- Expand apprentice pool



- Collaborate with supply chain
- Constructiononline (R&A)
- Volunteering
- Social Value tool ESG (LOOP)
- External benchmarks
- People's opinion survey inclusion engagement scores
- Diversity data strategy
- Data integrity
- EU skills sector inclusion measurement framework

Last year, we told you about the fantastic work that our Rail and Aviation team were doing with their ENABLE framework.



This year we're delighted to report that over the reporting period, active and productive groups in the majority of our divisions are now making a significant impact on their strategies and approach to a wide range of characteristics. Some of the activities which these groups are delivering are:

- Campaigns aimed at internal and external audiences
- Communications on social media and within our internal systems
- The development and implementation of Mentoring and Reverse Mentoring schemes
- Delivering Allyship Training to wide selections of our colleagues
- Webinars and learning sessions that help to break the ice on sensitive topics
- Awareness Pieces to help to break stigma, raise visibility and promote awareness

Liam Papworth
Internal Communications Manager



“Since joining M Group Services I've had the pleasure of being part of the company's EDI Inclusion Forum which includes people from all across our diverse business.

I joined M Group Services from a company whose own EDI journey was similarly in its infancy so to have the opportunity to take on a similar challenge, from a communication perspective, was one I've really enjoyed.

The Forum enables each member, who is passionate about EDI, to bring their ideas and suggestions into how we can continue to augment this important and pertinent topic into our company's DNA.

As a passionate advocate of championing diversity in society it's been fantastic to be surrounded by likeminded people and those who are so enthusiastic about making a difference. I've really enjoyed collaborating on EDI related communications which promote important awareness days including Pride, Ramadan, World Autism Day and International Day of Transgender Visibility.

The Forum continues to grow with new members joining us every month and each meeting brings about healthy debates on the current EDI landscape. Over the next few months I'm looking forward to seeing this Forum receive even more support and backing from our senior leadership who can help us truly embed EDI into M Group Services – we still have a long way to go but we've made amazing progress already.

A CAST OF
THOUSANDS



Spreading the word – Allyship in action

The allyship programme provides training that empowers our people to take meaningful action at work. By helping people to recognise their privilege and positional power, and to learn what specific actions they can take to show up as allies for those who are not as visible or often heard.

Over the next year, we're working with The Chartered Institute of Personnel and Development (CIPD) to develop allyship training at operative level more fully across our Group. This is something that's been championed by our colleagues in Morrison Water Services, and we're excited to see it gain traction to reach a wider audience.

Here's a rundown of the Water Division allyship activities throughout the last year:

- We have now completed four cohorts with more planned for the future
- Delivered presentation for Inclusion Week on the importance of having an Allyship Programme and what it means to Morrison Water Services as a business.
- Held webinars to provide Senior Leaders an overview of our Allyship Programme and encourage them to sign up.
- Dates for next year have been confirmed, and the programme may now be booked through the in-house IT platform.
- We are working on delivering Toolbox Talks to our operational teams on how we behave towards each other. This will include a video on respecting each other.

The ENABLE network meets regularly to develop an inclusive culture, enacting positive change in our businesses. The network includes a central working group with six separate workstreams.

ENABLE stands for:

- E** Ethnicity & Culture
- N** Neurodiversity & Disability
- A** Ageism & Lived Experience
- B** Breaking Gender Bias
- L** LGBTQ+
- E** Enabling Social Mobility

A CAST OF
THOUSANDS

Why allyship programme matters to me

As an engineering manager at our company, I've seen firsthand how our allyship programme has a potential to make a difference in our workplace. I'm helping to drive this initiative because I think it's our giving us a shot at creating an environment where everyone can excel.

The allyship programme has helped us all understand the subtle (and sometimes not-so-subtle) barriers that women and other underrepresented groups face in the workplace. More importantly, it's given us practical tools to address these issues. I've seen colleagues become more aware of their unconscious biases and actively work to counter them. It's brilliant to witness that kind of growth and self-reflection.

What I find especially valuable is how the programme has sparked honest conversations across the company. We're talking about things that might have been swept under the rug before. This openness has led to some innovative solutions to long-standing problems. It's not always comfortable, but it's definitely worthwhile.

The impact extends beyond our office walls, too. When we work with clients or partners, they notice the inclusive atmosphere we've cultivated. It's become part of our company's DNA, and I believe it gives us an edge in the market.

I remember when I first joined the company, feeling a bit like a fish out of water in a male-dominated field. Alongside the allyship programme, our Women's Network is now providing a space where people like me can connect with other women facing similar challenges. It's impressed me that it's now growing beyond that, actively inspiring lots of people in the company to create meaningful change.

Don't get me wrong – we still have work to do. But I'm proud of how far we've come. The Women's Network and our allyship programme have played a crucial role in making our workplace somewhere I'm genuinely happy to be every day. It's reassuring to know that we're not just talking about equity and inclusion, but actively working towards it. That's something I can really get behind.

Kerry Duke

Women's Network Chair & Contract Director



Water Division Women's Network: Empowering Women in the Industry

The Water Division Women's Network (WDWN) is a pivotal initiative aimed at creating an inclusive and supportive environment for women in our industry. Launched in September 2021, the network's mission is to ensure that the Water Division remains an employer of choice, enabling all women to contribute to their full potential and attracting top female talent to the business.

Key Objectives

The WDWN has set three main goals:

1. Increase the Water Division female workforce to 25% by 2025
2. Promote a culture and environment that supports women
3. Enable women within the Water Division and across the Group to perform at their best

Network Structure

The WDWN is organised into four main work streams:

1. Women's Network Office
2. Shaping Our Business
3. Development
4. Partnerships

Each work stream focuses on specific initiatives designed to support women's growth and success within the company and the broader industry.

Key Initiatives

- **Mentoring Programme:** Launching a mentoring scheme to support career development for individuals across the business.
- **Lunch & Learn Sessions:** Monthly bite-sized sessions addressing topics such as imposter syndrome and featuring inspiring industry journeys.
- **Time to Test:** Providing flexible conditions for employees to attend cervical screening and other routine cancer screening appointments.
- **Menopause Pledge & Hub:** Creating a safe space to educate and support individuals experiencing menopause or supporting others through it.
- **Recruitment:** Implementing unconscious bias training for recruiters and modifying job descriptions to eliminate gender-biased language.
- **Allyship:** Collaborating with other networks to promote allyship and raise awareness of privileges across the business.
- Sector membership for Womens Utility Network

Benefits to Women in the Industry

The WDWN offers numerous benefits for women's representation and progression:

1. **Career Development:** Through mentoring and skill-building initiatives, women are supported in advancing their careers within the industry.
2. **Networking Opportunities:** The network provides a platform for women to connect, share experiences, and build relationships across all levels of the organisation.
3. **Visibility and Recognition:** By highlighting women's achievements and sharing their stories, the network increases the visibility of female talent in the industry.
4. **Policy Influence:** The network actively shapes company policies to ensure they support women through various life stages and career phases.
5. **Cultural Change:** By promoting allyship and inclusivity, the WDWN is helping to create a more supportive industry culture for women.
6. **Health and Wellbeing Support:** Initiatives like the Menopause Hub and Time to Test programme address specific health concerns that can impact women's careers.

Through these efforts, the Water Division Women's Network is playing a crucial role in attracting, retaining, and advancing women in the industry, fostering a diverse workforce that drives innovation and effective business outcomes

Action Point from the 2023 People Opinion Survey

Improve the quality of available diversity data.

We want to make sure the workplace, no matter where you're based or what division you're in, feels safe, comfortable, and supportive so you can bring your true and best self to work. That's why we have a Group Inclusion Commitment.

We need to learn more about the diversity of our workforce to help achieve this. We've just extended the categories which our people can choose to complete their Oracle Cloud personal profile, enabling our colleagues to tell us about their preferred gender identity, national identity and age band if they wish.

It's individual choice whether these details are shared. We help our colleagues to be confident to share this information with us, by ensuring all information remains confidential and only used for diversity monitoring.

Making improvements will be easier when we have a clearer understanding of the diversity across our Group.



M Group Services Inclusion Commitment

At M Group Services we recognise and value the benefits from our workforce diversity. We work hard to build and maintain inclusive environments and develop a culture where our people feel included and valued.

We believe the business is richer because of the Group's approach to Inclusion & Diversity and we want to enable everyone to feel comfortable with being themselves at work regardless of age, gender, ethnicity, disability, sexuality, social background, religion or belief.

Our Senior Leadership Teams are committed to ensuring that everyone is given an opportunity to use their varied talents and abilities, experiences and skills to contribute to the success of the business and in doing so achieve their personal ambitions and aspirations. Building sustainably

Objectives

We will:

- Attract and retain the diverse talent our Group needs to maintain a resilient workforce.
- Develop advertising and recruitment campaigns using a wide range of channels which seek to appeal to a diverse range of candidates.
- Only engage with executive and senior manager search businesses who are signed up to the M Group Services conditions of engagement on gender diversity and best practice.
- Use training and upskilling programmes to enhance the diversity of our workforce.
- Report, at least annually, on progress towards our inclusion and diversity activities focusing on four key pillars:



Each of our divisions is committed to delivering continuous improvement towards inclusive environments and achieving a diversity within our workforce representative of the communities in which we work. Across the Group we will adapt appropriate policies and strategies relevant to our business sectors in support of the Group's objectives.

Inclusion and Diversity is the responsibility of everyone.

Our Commitment:

M Group Services, the Chief Executive and the Operational Board are committed to providing a culture of inclusion and delivery of continuous improvement in achieving a greater diversity balance within the Group. We will foster environments which support inclusive communities, celebrate difference and value diversity.

Andrew Findlay
Chief Executive Officer



Career Management and Tracking

Supporting the professional growth of our employees is crucial for our success. We offer comprehensive career management programmes and tracking systems to nurture talent and support career progression.

Training, Development, and Talent Programme

Our training and development programmes are designed to enhance skills, foster innovation, and develop the next generation of industry leaders. A new Groupwide Apprentice Development Programme is being created to help us recruit and develop the best new emerging talent. We're also creating a new Water Network Operative apprenticeship standard in our Water Division, helping us tap into new funding from the Apprenticeship Levy.

Last year we told you how we were approaching our Building Talent programme, and this year, we're pleased to report on the success of the programme. This was an experimental process because for the first time, we cast a wide net across our whole Group, and, as you would expect, many of our divisions already had their own bespoke processes in place. Extra care was taken to ensure we complimented each other's efforts.

Our aim throughout the Talent22 programme design was to provide maximum benefit and opportunity for people with recognised leadership potential without sheep-dipping everyone through every workshop if it wasn't relevant for their specific needs.

The cohort for this reporting period (which we logically called Talent23) was identified and assessed, using a Talent Assessment Profiling Tool. Each candidate received individual feedback and a development plan conversation. This resulted in several new workshops being piloted and then re-designed and delivered. Mentoring and coaching was also offered to specific individuals who we thought might benefit from the extra support.

This was as much a learning exercise as anything, and we've learned that speedier creation of training courses, improved communications and investment in an automated talent process will bring many benefits, all of which are in the process of being addressed. We're hoping that the next phase will build on the successes and learn from the challenges of last year to make sure this programme continues to help us support, identify and invest in our talented leaders of tomorrow and beyond.

Here are the headline results from Talent 23:

After careful consideration, 56 people were identified from the Top 350 roles

We created: 5 x 1 day face to face workshops and 1 x 90 minute teams event

- Equity in Leadership
- Resilience in Complex Times
- Engaging Audiences
- Personal Impact & Influence
- Building High Performing Teams
- Sales & Business Development – Key Stages in Winning and Retaining Business

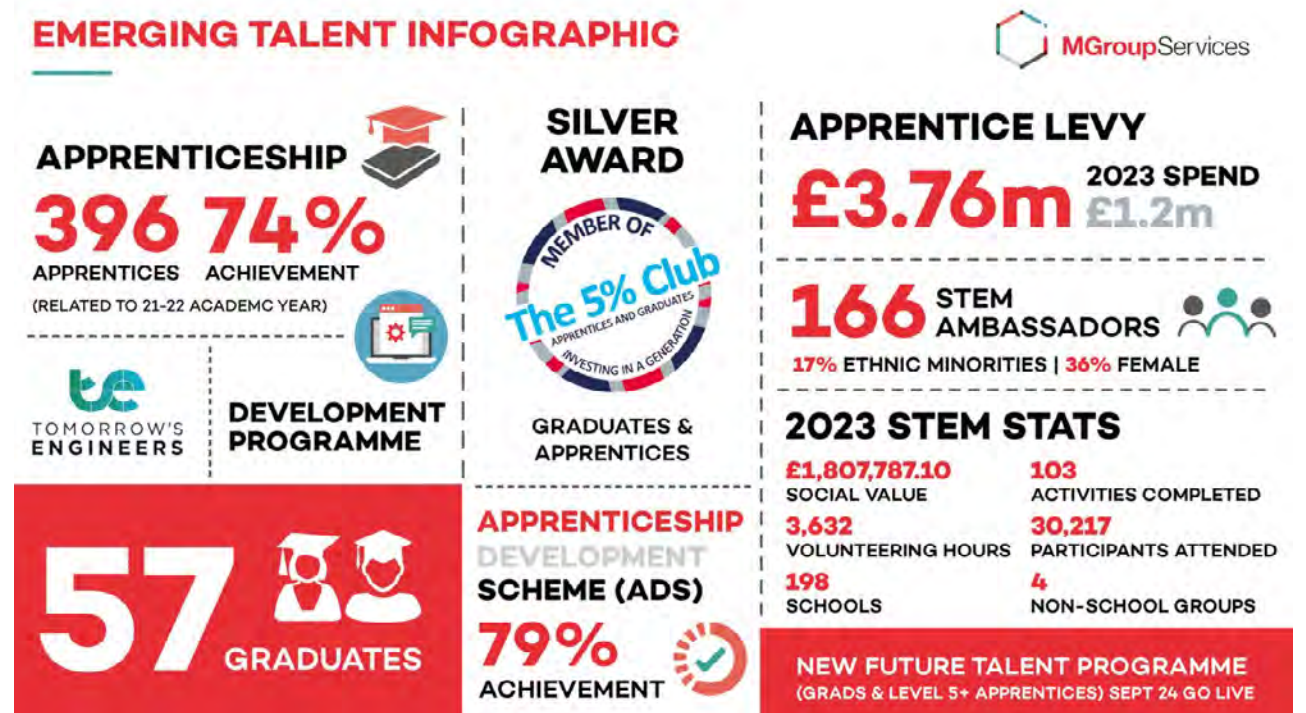
Including the pilots a total of 88 delegate spaces were attended by 39 individuals attending 1 or more workshop

22/39 (56%) were from the originally identified Talent23 (56)

48/88 (55%) delegate spaces were filled by a member of the Talent23 cohort

From those identified, 13 people have since been promoted, whereas 43 are still with us in their original role and we had just one leaver. We had two cross-divisional promotional movements related to this programme.

Progress was monitored by local HR Directors and MD oversight based on the 70-20-10 learning model (a system which prioritises learning through experience) which demonstrated the value of continued and focus career conversations



Train With Us: investing in our people and ESG principles



We recognise that our people are our greatest asset. Our commitment to their development is exemplified through our comprehensive training system, Train With Us. This innovative platform serves as the cornerstone of our learning and development strategy, ensuring that our workforce remains technically skilled, compliant, and aligned with our ESG objectives.

A Holistic Approach to Learning

Train With Us offers a complete ecosystem designed to support continuous learning and development across our organisation. At its core is Competency Cloud, our learning management system that provides 24/7 access to training records, certificates, and a vast library of e-learning modules.

The system's user-friendly interface allows employees to easily track their training compliance, access digital certificates, and view upcoming courses. For managers and supervisors, it offers valuable insights into team compliance and training needs, facilitating proactive workforce development.

Investing in Our Future

Our commitment to training and development is reflected in our increasing financial investment.

In the fiscal year 2023, we invested £4,769,323 in training initiatives. For fiscal year 2024, we've significantly increased this investment to £6,461,405, demonstrating our dedication to nurturing talent and fostering a culture of continuous improvement.

Beyond E-Learning

While our e-learning offerings are extensive, Train With Us goes beyond digital modules. The system coordinates a variety of training formats, including on-site assessments, NVQs, and specialised courses, with many of our training courses aligning to and are accredited by the Energy and Utility Skills Register (EUSR). This blended approach ensures that our people receive the most appropriate and effective training for their roles and development needs.

Data-Driven Development

To measure the impact of our training initiatives, we've developed comprehensive analytics tools using PowerBI. These reports provide valuable insights into training compliance, hours spent on development, and upcoming qualification expiries. This data-driven approach allows us to continually refine our training strategies, ensuring they remain aligned with both business needs and ESG goals.

In this way, we're enabling more of our colleagues to take charge of their own training requirements and select courses that will make a difference to their own career progression.



Looking to the Future

As we continue to evolve our training capabilities, we're exploring innovative ways to deliver learning experiences. The MGS Train With Us mobile app, for instance, allows our workforce to access training materials and complete e-learning modules on-the-go, making development more accessible for our site-based employees.

Our internal IT training team further supplements these efforts by providing bespoke training on critical business systems and software, ensuring our workforce remains at the forefront of technological advancements in our industry.

Train With Us represents our ongoing commitment to investing in our people and embedding ESG principles throughout our organisation. By providing comprehensive, accessible, and targeted training, we're not only developing a more skilled and engaged workforce but also fostering a culture of responsibility and sustainability that will drive our success well into the future.

We launched a new Learning Management System, Competency Cloud, earlier this year which means our people can now:

- Self-enrol onto your mandatory training via your competencies page.
- Easily and quickly see your training, your team's training, useful information and newsflashes on a new dashboard.
- Access your training records and certificates within 24 hours of completing an e-learning course.
- Access a wider catalogue of learning and development opportunities.
- Created a new Driver CPC page on each delegate's profile allowing us to track their periodic DCPC requirements.

We are also piloting expiry reminder notifications and targeted non-completion communications in Rail & Aviation which will be rolled out Group wide soon.

We invested £4,769,323 in training initiatives. For fiscal year 2024, we've significantly increased this investment to £6,461,405.

Total Training days:

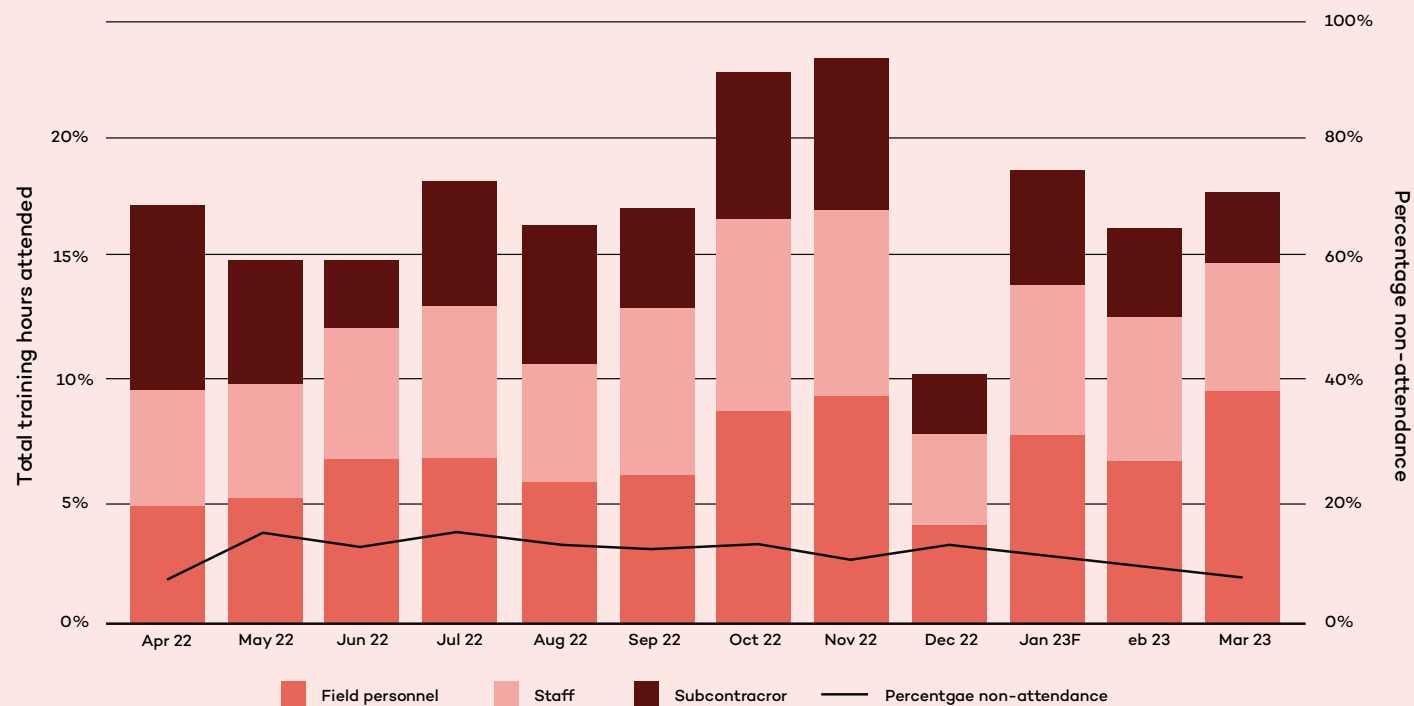
- Staff Total Hours = 132,373 (22,062 days)
- Field Total Hours = 216,876 (36,146 days)
- Gross Total = 58,208 Training days

Average Training days per person:

- Staff Average Training Days per Employee = 3.63
- Field Average Training Days per Employee = 7.07
- Combined Average Training Days per Employee = 5.30

We have had 20,7852 hours of training (April 23 - March 24) recorded on our system. This equates to around 27,713 days.

Training hours throughout the year



TrainWithUs: Key Facts

APR 23 - MAR 24

SERVICE	DELIVERY	SYSTEMS
88,339 TICKETS CREATED	>207,000 TRAINING HOURS	>14,800 INDIVIDUALS RECORDED ON COMPETENCY CLOUD
4h 17m AVG FIRST RESPONSE TIME	£6.42M SPENT ON TRADITIONAL TRAINING	ACTIVE SYSTEM USERS
93% RESOLVED WITHIN SLA	10,842 COURSES ARRANGED	13,825 COMPETENCY CLOUD
98% CUSTOMER SATISFACTION	8,397 UNIQUE LEARNERS	27,518 TOOLBOX TALKS RECORDED
8,997 PHONE CALLS	30,987 E-LEARNING COURSES COMPLETE	

Mandatory training on ESG related subjects

In addition to our wide range of technical courses, we provide mandatory training and testing for key ESG-related subjects in the form of e-learning modules. These subjects must be completed by all employees during their first three months, and in refresher courses thereafter. This year, this training has been expanded to include:

- Diversity and Inclusion
- Modern Slavery
- Bribery Act
- Information Security
- Data Protection
- Unconscious Bias
- Ethical Conduct

Our overall compliance figure (the number of employees who are completely up to date for their mandatory training and refresher modules) for this reporting period is **88.9%**.

Bite sized learning in the Energy Division



Lunch and Learn

The Energy Division's Learning and Development team has revolutionized their approach to training, creating an innovative and accessible L&D Hub. Recognizing the limitations of traditional face-to-face courses and eLearning, the team of three developed a comprehensive solution to support 3,500 employees with on-demand, bite-sized learning experiences.

The L&D Hub features several key components, which include:

1. **The Skill Zone:** A library of bite-sized learning materials covering 35 essential skills, including practical tips, videos, articles, and self-assessments.
2. **Learning Live:** Weekly programs and in-depth Bootcamps that bring learning to life through interactive sessions and follow-up missions.
3. **Task-specific resources:** Practical guides and complementary skills for activities like inducting new starters, supporting apprentices, and managing performance.

This innovative approach has transformed the Division's L&D strategy, providing just-in-time, practical learning for personal and leadership development. The team has actively marketed the L&D Hub through Stay Connected articles, events during National Apprenticeship Week and Learning at Work Week, and discussions with business leadership teams.

The L&D team's efforts have yielded outstanding results, with a significant increase in engagement and accessibility. Their unique approach, which includes lively presentation styles and bite-sized "Lunch and Learn" sessions, has provided inspiration and coaching to a wide range of Energy Division colleagues.

By prioritizing the end-user experience and continuously creating new content, the team has expanded learning opportunities to every team member. Their commitment to meeting customer needs and willingness to try new approaches has led to a learning and development transformation

that has exceeded expectations and made a substantial impact on individual growth and organizational success.



Your opinion matters – our Employee Engagement Survey

YOUR VOICE MATTERS
 Make a difference

Every year, we ask our colleagues across the Group for their opinion, with a series of wide-ranging questions that helps us to understand how our policies and practices are impacting on our workforce so that we can celebrate what works and make changes to the things that aren't as well received. Gauging and evaluating the opinions and feedback of more than 11,000 employees is no small task, so we make sure the feedback we receive is implanted to make meaningful change to everyone's benefit wherever possible.

This year, a massive 72 percent of our colleagues completed and returned their surveys, which is a result that improves upon previous years. (last year's survey had 67% returns, which is still relatively high for survey responses of this type).

Key headlines from this year's survey:

- Improved level of participation
- Engagement up on last year
- Gains in behavioural engagement - commitment, motivation, advocacy
- Maintained strengths around line manager relationships – sense of trust, confidence and fairness

We saw our largest improvements to the following fields:

- Commitment to stay with us
- Motivation to do your best work
- Communication across the business divisions
- Advocacy – recommending us as a place to work
- Help and support to do a good job

Our areas of focus from feedback received include:

- Comfortable to be your "true self" at work
- Feeling of being treated with fairness
- Understanding the business across all divisions
- Feeling pressure to work quickly and safely
- Opportunities for Learning

We're taking all the positives and negatives and making sure we not only make these improvements, but also making sure we communicate any changes to everyone, so that those who made their voices heard will recognise that their comments have made a positive difference.



Mentorship at M Group Services: fostering growth and inclusion

We've undertaken studies in the last year that have helped us to understand the transformative power of mentorship in developing our workforce and enhancing our company culture. Our recent People Opinion Survey highlighted opportunities improve how our employees think of their long-term career prospects within the organisation. We've prioritised the expansion of mentoring programmes across the Group.

Our approach to mentorship is multifaceted, and we've been reviewing six distinct models to cater to various developmental needs:

1. General mentoring for career development
2. Reciprocal mentoring to promote diversity and inclusion
3. Emerging and transition talent mentoring for apprentices, graduates, and ex-armed forces personnel
4. Peer mentoring to support collaboration and knowledge sharing
5. Professional qualification mentoring
6. Future leaders mentoring to nurture leadership potential

These programmes aim to address key areas such as equality, diversity and inclusion, career development, employee engagement, retention, internal mobility, and fostering a learning culture.

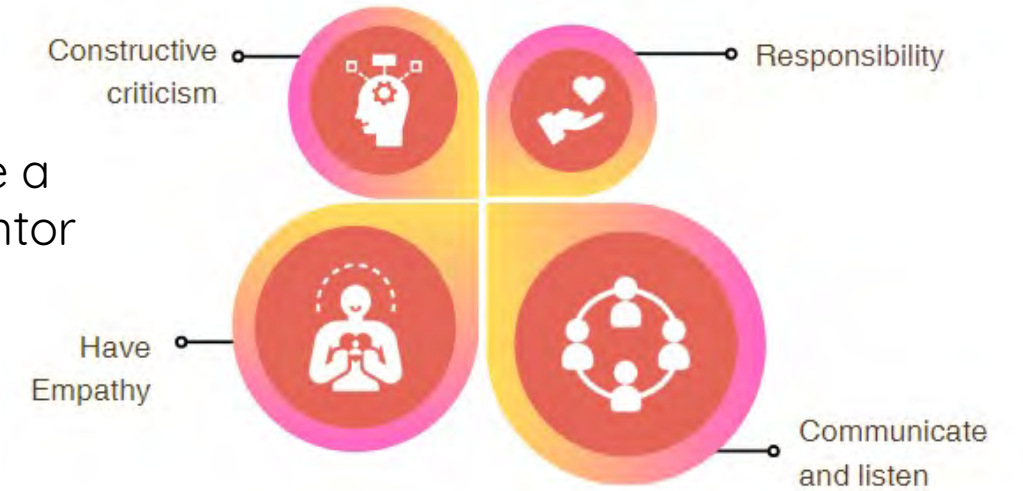
The potential impact of mentoring on our organisation is evident in our recent People Opinion Survey, where we see **room for improvement** that mentorship can help us to address, particularly in supporting employees from less represented backgrounds:

- 57% of employees believe they can develop a career within the company
- 63% feel colleagues help develop their skills
- 61% have appropriate opportunities to learn and grow at work
- 68% believe people from backgrounds similar to theirs can succeed here

We are developing mentoring, reverse-mentoring and emerging talent mentoring all help people progress and we're developing a new approach currently. Look out for more news over the coming months.

Looking ahead, we're working to implement a structured framework for mentoring across the Group. This framework will define clear start and end points, goals, and expectations, ensuring both mentors and mentees benefit from these relationships. We anticipate rolling out this system over the next reporting period and look forward to sharing progress in our next annual report.

How to be a great mentor



Action Point from the 2023 People Opinion Survey

Cross-Group learning and career paths.

Dave Cowell, our new Group Head of Leadership, Learning & Talent, is leading the development of a new Learning & Development platform for our Group. It's expected to be in place and making a difference before the end of the year. Our people can expect new learning and development opportunities that provide the skills they need to do their job and develop lasting careers.

Our talent acquisition, employee relations, diversity, equality and inclusion, learning, development and talent specialists will be coming together in new Centre of Excellence group during the next reporting period. New Group 'heads of' functions are being recruited and will work in partnership with divisions to maximise the amazing talent we already have in the business and help build new teams.

To help our colleagues to understand where they add value, we're working on a new performance management system that will create opportunities for each person to talk with their line manager about performance, set and agree clear objectives and identify development opportunities. This will be accessed through employees' Oracle accounts. The proposal for this new system will be submitted during the next reporting period.





Our Greatest Strength

The nominations for our annual “Beyond Expectations” awards serve as a powerful testament to the dedication, resilience, and compassion that permeate every level of our organization. As we reflect on the past year at M Group Services, one thing becomes abundantly clear: our greatest strength lies in the extraordinary individuals who make up our workforce.

These stories paint a vivid picture of a company where going above and beyond is not the exception, but the rule. From those who have faced personal health challenges with unwavering determination to those who have spearheaded innovative solutions to complex problems, our colleagues demonstrate time and again that they are the beating heart of our success.

One of the most striking themes that emerges from these nominations is the profound impact our people have on their communities. We see accounts of employees organizing charity runs, raising thousands of pounds for causes close to their hearts. Others have dedicated their personal time to supporting mental health initiatives, creating safe spaces for colleagues to discuss their struggles and find support. These actions extend far beyond the workplace, creating ripples of positive change that touch other lives.

The resilience displayed by our team members is nothing short of inspirational. At our annual awards event, we hear of individuals whose stories remind us that true strength often emerges in our most challenging moments. Innovation and problem-solving shine brightly in these nominations. We see examples of employees who, when faced with complex challenges, created entirely new approaches. These individuals demonstrate that a spirit of innovation is alive and well within our ranks.

Leadership, both formal and informal, is a recurring theme at these awards. We celebrate managers who have gone to extraordinary lengths to support their teams, creating environments where everyone can thrive. Equally impressive are the stories of those who, regardless of their official position, stepped up to lead by example, inspiring their colleagues to reach new heights. Perhaps most heartening are the numerous accounts of simple acts of kindness and support. Colleagues supporting each other through personal losses, offering guidance to new team members, or simply being a listening ear in times of need – these small but significant actions create a culture of care and mutual support that defines who we are as a company.

Our people are innovators, problem-solvers, community leaders, and above all, sources of inspiration. As we celebrate these exceptional individuals, it's heartening to recognize that they are not outliers but representatives of the spirit that runs through our entire organisation. They embody the values we hold dear and challenge us all to consider how we can make a difference, not just in our professional roles but in the lives of those around us.



Creating social value

Our business in your community

We want all our activities to create positive social impact in the communities we serve across the UK, from job creation to infrastructure improvements that enhance quality of life.

As part of our commitment to social value and community engagement, two of our group companies, Morrisons Water and Milestone, are proud members of the Social Recruitment Advocacy Group (SRAG). This rapidly growing organisation encourages employers to focus on recruiting individuals who face disadvantages in the labour market, including young people not in education, employment, or training (NEET) unpaid carers, prison-leavers, and those with long-term health challenges.

SRAG membership provides numerous benefits, including quarterly face-to-face meetings, networking opportunities, and access to a Social Recruitment Framework. Our companies undergo Charter Mark Assessments, evaluating our recruitment and retention practices, and receive dedicated support to improve our strategies.

By participating in SRAG, we're contributing to a movement that addresses significant employability gaps and promotes inclusive economic growth. This approach not only helps us fill persistent vacancies but also allows us to tap into often overlooked talent pools. We're committed to changing the narrative for generations of people who have been hampered by lack of opportunity.

Through initiatives like monthly learning sessions, prison visit coordination, and access to specialised toolkits, we're equipping our teams with the knowledge and resources to implement effective social recruitment practices. This proactive stance aligns with our vision of being a positive force in the communities where we operate, creating sustainable job opportunities and fostering a more inclusive workplace culture.

This strategic alignment with the SDGs demonstrates our holistic approach to sustainability, integrating social value creation into our core business practices and contributing to broader global goals for sustainable development.



Social Recruitment

Our recruitment practices are designed to be inclusive and accessible, tapping into diverse talent pools across the UK to build a workforce that reflects the communities we serve.



Sorahya Jenkins
Organisation Development Manager

M Group Services is unique and is a direct reflection of the amazing people that work with us. Our businesses reach all areas of the United Kingdom, and our people reflect the areas in which we work, bringing diverse lived experience to the workplace. This fosters innovation, drives the growth and success of the group and most importantly, has a positive impact on the communities in which we work and live.

As someone who experienced the transformative power of opportunity, I feel a responsibility to advocate for enabling social mobility within M Group Services. By supporting initiatives that help our people advance —be it through mentorship, apprenticeships, or career transition schemes—ensures that we’re not just creating a diverse workforce today but also empowering future generations. It’s essential to create pathways for those who may not have had the same opportunities, as this ultimately enriches our culture and positively impacts our communities.

Social mobility is not just life changing for people; it’s a strategic advantage for the group. Our people who reflect diverse experiences drive innovation, agility and adaptability. Aligning with our goals for growth and ensuring we are an employer of choice. When our people are encouraged to rise based on talent and hard work, it leads to the motivated teams that make M Group Services a success.

The value of enabling social mobility embodies our culture. When our people come from varied backgrounds, it not only enhances empathy and collaboration, but it also unlocks a treasure chest of perspectives, enabling us to approach problems creatively. Our people learn to appreciate each other’s journey and unique contributions, breaking down barriers that divide us.

I am proud to be a lead for one of our enabling social mobility ERGs, who not only champion the initiatives across the group, but also run awareness campaigns such as National Social Mobility Day: #SpeakUp, giving our people a platform to tell their experience. I’m also very proud to work for a group who encourage our people to excel and make a real positive difference to our society.

A CAST OF
THOUSANDS

We’re excited to report that AgilityEco has joined our group of companies and will be operating as part of our Energy Division. They are already making a significant impact in reducing fuel poverty and improving the energy efficiency of communities across the UK, and we’re delighted to include them as part of our capabilities.

Introducing AgilityEco

At AgilityEco, we’ve made it our mission to play a major role in eliminating fuel poverty, to deliver better outcomes for low income and vulnerable families and to prepare Britain’s homes for Net Zero.

Our vision is a warm, efficient, and healthy home for everyone. We believe by reducing energy bills through energy efficiency and helping people stay warm and well, we will be able to support the most vulnerable in society. Tied to this, we firmly believe that proper investment in home energy efficiency is crucial in order to achieve the UK’s ambitions to eliminate fuel poverty by 2030 and reach net zero by 2050.

To achieve this vision we help utility companies, housing associations and councils across the country meet their social and environmental obligations. We understand the pressures that these organisations face in achieving these objectives – often short on the skills and capacity necessary to achieve significant delivery of complicated projects in short timeframes. AgilityEco are experts in practical delivery and we work closely with a very wide range of referral and delivery partners to identify and reach out to low income and vulnerable households, explain the benefits of the help that can be provided, and to make them eligible for this support. We then deliver a range of free energy efficiency measures including insulation, low carbon heating and renewables, as offering in-depth, tailored advice to lower bills and help to maximise income.

We fund many of our programmes through strong relationships with obligated energy suppliers, with whom we will have multi-year funding arrangements. And we help councils, landlords and charities to secure grant funding from other sources that enables us to run projects in partnership. The result is life changing support for thousands of households and tens of millions of pounds in annual bill savings. See figure the illustration overleaf for our 2022/23 Impact Report results.



Sharon Johnson
Chief Executive Officer, AgilityEco

Our four business units, Eco, Projects, Community Schemes and Retrofit Services, access different funding grants to deliver distinct services that address both fuel poverty and decarbonisation. Social Value sits at the very heart of the work that AgilityEco delivers and we use our experience in designing and delivering a range a regional and national schemes to advocate and shape the development of policies to tackle fuel poverty.



ECO

The prime source of our funding – the ECO scheme - relaunched as ‘ECO4’ in July 2023. Since it started, ECO has helped over 2.4m households and supported the installation of over 3.6m separate energy efficiency measures. It is by far the biggest and most effective intervention that has been made to address fuel poverty in the UK and support the country’s journey to net zero.

During the last reporting period, AgilityEco delivered more than £38m in lifetime bill savings for customers. Our focus on maximising the support for each household we help has seen the average lifetime bill saving rise from around £11,000 to nearly £17,000 which is more than 3 times the saving required to lift the average household out of fuel poverty.

None of this would have been possible without the tireless support of our dedicated internal team and our network of more than 50 installer partners nationwide, both large and small, who are amongst the best in the sector. Together we are successfully delivering projects in line with the government’s aims – deep, multi-measure retrofits which save money and cut carbon emissions.

PROJECTS

Our Projects Business Unit manages schemes right from the initial customer contact all the way through to completion and sign-off of work. Our work under various local-authority led schemes with the ‘Warmer Homes’ consortium in Portsmouth and across the South and East of England, and the ‘Welcome the Warmth’ scheme in Oxfordshire, which saw record delivery of retrofit upgrades treating over 1,800 homes to deliver £5.7m in lifetime bill savings in our last reporting period. Since then, we have successfully bid for further funding for more scheme phases, which will allow us to continue delivering thousands of improvements through to March 2025 for over forty local authorities, including Sheffield County Council and Greater South East Net Zero Hub. In addition, we are delighted to be working with Sheffield City Council on a broader service, delivering a wide range of energy efficiency programmes under the ‘Warm Homes Sheffield’ brand.

We have also continued to deepen our work nationally with Affordable Warmth Solutions (AWS) on our award-winning Connected for Warmth programme, delivering both a heat pump programme and a national insulation programme. These distinct schemes were possible with the generous support of the Warm Homes Fund and matched funding from ECO or the Boiler Upgrade Scheme and by the substantial support of National Grid through their £50m Energy Support Fund.

The Retrofit Assessment and Retrofit Coordination team provides a whole-house retrofit service that combines a full suite of support with multiple funding sources. This makes it an increasingly popular choice for local authorities seeking to deliver area-based, Green Deal and ECO-funded retrofit programmes. In addition to social housing projects, we have also provided assistance to installers working under schemes such as the Local Authority Delivery (LAD), Home Upgrade Grant (HUG) and Energy Company Obligation (ECO). Every grant-funded retrofit project has to comply with the PAS2035 standard.



COMMUNITY SCHEMES

Our Community Schemes team is mainly engaged in the delivery of LEAP (Local Energy Advice Partnership), our flagship home energy advice and support programme. It is financed almost entirely with Industry Initiative funding under the umbrella of energy suppliers' Warm Home Discount obligations. We work with over 100 registered referral partners across England, Wales and Scotland, to provide residents in need with energy efficiency advice and in home visits, white good and appliance replacement schemes and support with income maximisation. Our funding has grown nearly 2 fold since the 22/23 reporting period, and we are now working with 12 funders (Energy Suppliers). Some notable successes in the last 18 months include launching LEAP in Scotland, launching and delivering a new fuel voucher scheme to approximately 12,000 pre-payment customers, opening up new home visit areas such as in London and South Wales, and building our telephony based service to pre-assess LEAP applicants to enable us to personalise each customer's journey through the scheme and on to our other services.



Helping a mother and daughter keep warm this winter

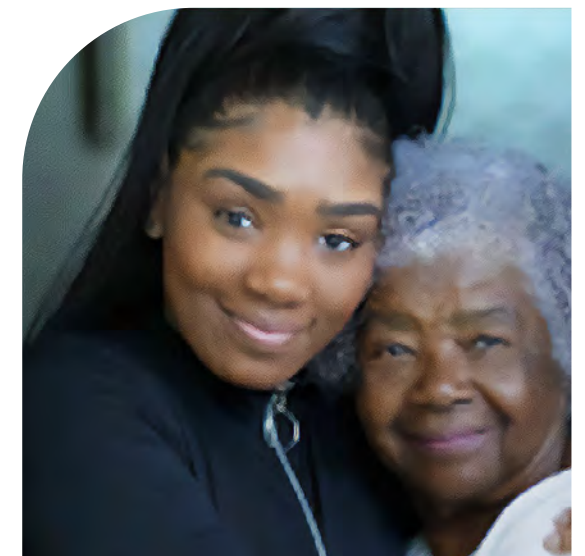
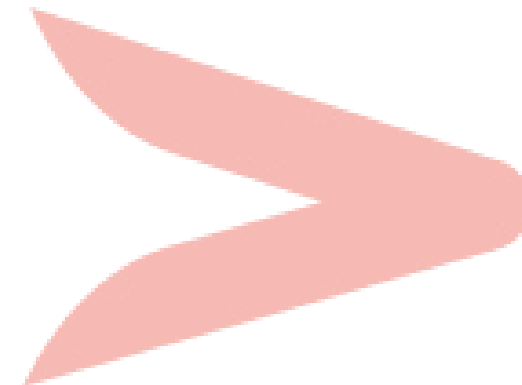
We helped a mother and daughter living in a 2-bed semi-detached house, which was always cold. The only form of heating was an old electric storage heater.

After speaking with one of the Warmer Homes supply chain partners Aura Gas, she realised that she was eligible for a fully funded air source heat pump due to the EPC rating of her property and income levels.

She quickly completed the application form and not long after received her brand-new air source heat pump.

"It is honestly a dream come true. Before I heard of the programme all I had was old electric heaters. The house was always freezing. We had a running joke in my family that if you're ever hot come to my house to cool down. I had to put blankets over the bedroom windows to try and stay warm at night and I had to turn on the hot water well in advance of having a shower or doing the washing up - even then it wasn't even hot."

"Having our new air source heat pump has made the world of difference to our lives. Our installer Greg from Aura Gas was so professional and tidy. We barely noticed that he was there, and he was so polite. He installed the air source heat pump in just four days! The heat pump is so easy to use. It has helped to reduce our energy bills and has also added value to our home. I'd definitely recommend applying to the programme if you meet the eligibility criteria."



A CAST OF THOUSANDS

At Milestone Infrastructure we define social value as ‘creating positive value for the economies, communities, and places where we work.’ We recognise the impact our operations have whilst working within local communities and take a proactive approach to leaving a lasting, positive legacy. Our social impact has been captured in our inaugural Social Value Annual Report 2023/24, showcasing the breadth and depth of impact across each sector of our highways business. Of particular pride was the launch of the Milestone Military Accelerated Programme, a leading initiative that supports the transition of Service Leavers, accelerates their training in civilian qualifications, and matches their role and salary to that most equivalent to their role in the military. Beyond this, employees across Milestone have taken to supporting the communities where we work with great enthusiasm, providing over 1,500 hours of volunteering, raising over £50,000 for charity, and inspiring the next generation with over 12,000 impact hours through school careers information and guidance events.

As we look forward to the near future there is excitement at the growing opportunity to work in greater alignment with divisions and businesses across M Group Services, already evidenced in our partnership work with Dyer and Butler, volunteering for a community group in the New Forest. As Milestone grows and expands into the midlands and the north it’ll be through our existing presence as a Group that we’ll be able to create legacy impacts and realise future social value potential.

The privilege to provide opportunities for those furthest from the labour market inspires me. I have a brother with Downs Syndrome, and a sister who is a Service Leaver, both of whom have benefited from the kindness and courage of those in business to give them a step up when they needed it. Together we are in the position to offer more, to be able to make a difference.



Charlie Green
Head of Social Value

Integration of the LOOP system

We are committed to measuring and maximising the social value generated by our operations, ensuring that our investments become a catalyst for tangible benefits across the communities in which we operate.



Maximizing social value: our commitment to community engagement and SROI

In the evolving landscape of the UK critical infrastructure sector, measuring and maximizing social value has become increasingly important. This year, we’ve taken significant strides in this direction by investing in the LOOP social value system across multiple divisions, enabling us to better quantify and enhance our social impact.

Understanding Social Return on Investment and Its Importance

Social Return on Investment (SROI) is a method for measuring and accounting for the broader concept of value. It goes beyond traditional financial metrics to include social, environmental, and economic costs and benefits. SROI allows us to assign monetary values to our community-based activities, providing a comprehensive view of our impact.

The LOOP Social Value System

Our investment in the LOOP social value system represents a commitment to accurately measure and maximize our social impact. LOOP provides a standardized framework for recording and analysing our community-based activities, allowing us to:

1. Quantify the social value of our initiatives
2. Identify areas for improvement
3. Make data-driven decisions about future community investments

Government Procurement Guidance - PPN 06/20 and Its Implications

The introduction of new government procurement guidance has significantly influenced how public sector organizations approach procurement. This policy requires all central government departments to explicitly evaluate social value in their procurement processes. This means our clients increasingly require demonstrated social value creation. The change in legislation has accelerated our focus on quantifying and maximizing our social impact, making systems like LOOP essential to our operations.

Key Factors

Our approach to social value creation is driven by three key factors:

1. **Supporting and Engaging with Local Communities:** We prioritize using local suppliers and contributing to local job creation, skills development, and training initiatives. This not only benefits the community but also strengthens our local supply chains and workforce.
2. **Maximizing Local Spend:** We’re committed to directing as much of our operational spend as possible within our local areas. This approach helps stimulate local economies and creates a positive ripple effect in the communities where we operate.
3. **Being a Good Neighbour:** Beyond our direct economic impact, we strive to be a positive force in our communities. This includes participating in local initiatives, supporting community projects, and ensuring our operations contribute positively to local quality of life.

According to research by the New Economics Foundation, for every £1 invested in local communities, the social return can be as high as £3.70. This multiplier effect demonstrates the significant impact that targeted community investment can have.



Maxine Corney
Innovation Programme Developer

A CAST OF THOUSANDS

By focusing on these areas and using tools like LOOP to measure our impact, we're able to create a virtuous cycle of community engagement and business success. Our SROI calculations help us demonstrate to stakeholders - including clients, local authorities, and community members - the tangible benefits of our presence and activities.

The use of platforms such as Loop are enabling us to produce receipts for our activities so that none of the great effort that goes into our communities is forgotten about. In this way, we're able to gather data to demonstrate the impact we've made. As we mentioned earlier, Milestone are already blazing a trail in this process, and so we thought it would be valuable to share how they're going about making a positive difference to the communities in which they operate.

Using this strategy - combined with the recording capabilities of Loop, Milestone have been able to demonstrate an admirable track record:

- £53,512 raised for charity through employee donations and gifts-in-kind
- 30% spend with local SMEs
- 1,596 hours of community volunteering
- £200,000+ spend with Voluntary, Community, Social Enterprise Sector
- 237 in-work training qualifications (Level 2, 3 & 4+, in excess of apprenticeships)
- 84 apprenticeships 11 work experience placements
- 4 Ex-Offenders recruited
- 3 Military Service Leavers recruited
- 12,671 impact hours through school careers, information and guidance events

STEM and US: Jayne Ellison & Maxine Corney

The STEM Ambassador Programme, and our Ambassadors are helping to bring STEM subjects alive and provide real-life examples of industry careers, facilitating an invaluable link between schools and industry. STEM Ambassadors make that link really clear between the learning pupils are doing in the classroom and how they will be able to use that in the real world. The knowledge, experience and love of our staff of the industry and sharing this with the next generation is truly inspiring.

We are making a positive contribution to STEM with an active membership of 41 approved to deliver activities, however we have a further 27 who have been identified as future Ambassadors and required to complete their induction, DBS/PVG (Scotland) checks and/or training sessions. Included in these numbers we have an ethnicity split of 16% and a female percentage split of 39%.

For 2023/2024 year we have conducted 108 STEM activities, with more than two thousand hours of engagement, reaching 31,959 participants. This in turn, has provided a social value benefit to the Group of £1,539,200.32.

By increasing our understanding of our current approach to STEM, how we support our STEM Ambassadors and creating insights on geographical spread for example; we can use this to identify missed opportunities and seek leverage to maximise our spread of STEM activities across our work locations. M Group Services Central is working in conjunction with the Water Division to re-energise STEM and link this to social value implementation. STEM supports adding social value benefit and if we can maximise and record accurately our activities, this can only increase our social value benefit across the Division and then more widely across the Group.

We are continually striving to improve our STEM Ambassador Programme by asking our existing Ambassadors on how we can improve the programme and inspire more to join, running lunch and learn sessions, dispelling myths on who can become a STEM Ambassador, and developing a community hub.



Jayne Ellison
Group Emerging Talent Manager

A CAST OF THOUSANDS

I would say that it's important to me that our business makes the best use of the talents of ex service people, but I think it's fair to say it's significantly more important to our business to make sure the incredible talents and skills that service people have developed during their time in uniform. This year I was honoured to attend the Armed Forces in Business Awards, and be nominated for their "lifetime achievement" category. Events like this matter because it demonstrates firstly that it's possible to flourish and develop in a second career, and secondly because it reminds businesses just how valuable all that time in the services is when it comes to developing management and operational skills.

I'm pleased to see that we continue to make the most of our relationship with the Armed Forces Covenant scheme, and have retained our Gold membership status for another year. A particular focus for this organisation this year is to encourage as many of us as possible to consider becoming a cadet instructor. If you're looking for a rewarding output that will help you to make a real difference to your community (with extra time off from us to train) maybe it's something you might like to consider?

I'm proud of my time in the services, but I'm also proud to say I work for a company that's taking the Armed Forces covenant seriously. I look forward to welcoming more of my former comrades as they become colleagues at M Group Services.

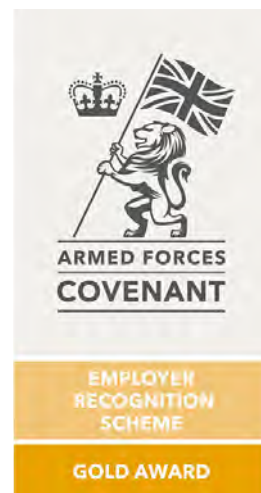
Paul Kerridge
Safety, Health, Environmental & Quality Director



Military Accelerated Programme

This initiative is specific to our Milestone business, but we hope to see it more widely adopted over the next year as more entities in our Group family take up the challenge.

Milestone values the skills that Service Leavers have developed during their military career. Hence, under their Military Accelerated Programme (MAP), they aim to offer them roles and remuneration packages based on their potential to succeed in the role rather than formal highways qualifications and experience.



Support for Armed Service

Confident in their successful transition following a period of training and on-the-job mentoring, Milestone - from day 1 - pay Service leavers the market rate for a fully trained and experienced highways professional.

Under MAP, Milestone also commits to reviewing the CV of every applicant who is an armed forces leaver. We will arrange either a call or an informal face-to-face meeting to discuss opportunities and suitability for future roles.

Support for service veterans and the fantastic work of Phoenix Heroes CIC



The armed forces charity Phoenix Heroes CIC supports veterans through outdoor activities. Due to his long-standing support for this organisation, Ex RAF Regiment Darren Draper has been made an ambassador. Outside work, Darren spends much of his spare time helping with fundraising, organising events, and providing support to veterans. Despite having an extremely demanding job as a team leader.

"It's amazing just how much you see the simple act of taking somebody fishing impact on their mental wellbeing" Darren explains. "A lot of former service people tend to bottle things up inside, and just providing a quiet and relaxed space to think and talk provides a moment for people to gather their thoughts and start having conversations."

Darren (pictured in the centre of the photo above) is helping to raise awareness about the high number of veterans that are dealing with mental health difficulties and actively helping and supporting those veterans and their families to live a normal life again. He and many others like him have been nominated for this year's Beyond Expectations Awards, and we wish him every success at the event.

External Stakeholder Human Rights and Community Engagement

With a wealth of stakeholder engagement experience across the UK's bustling infrastructure, we've honed an approach that's both comprehensive and considerate. Our strategy is bolstered by digital innovation and industry best practices, ensuring minimal disruption through thoughtful planning and real-time communication.

We cater for a wide range of clients and stakeholders, and don't currently use a "one size fits all" customer strategy. That said, our core stakeholder and customer service approach has been developed in partnership with the Institute of Customer Service and has been recognised since its inception with a wide range of awards.

At the heart of our ethos lies a commitment to meaningful engagement with communities and stakeholders. We recognise that some of our projects have far-reaching impacts, such as the replacement of gas mains in busy urban environments, or emergency repairs to water mains or electricity supplies to houses that can't put the kettle on. Much of our work also takes place in the highway, or next to railway lines. Close liaison with landowners and environmental agencies is also essential for work such as this, and active communication with businesses in city centres is no less critical.

Our operational colleagues are also front line customer service managers, so we make sure they have the skills, patience and confidence to manage interactions with the public. We've cultivated a robust framework that ensures we're genuinely listening and responding to the needs and concerns of those affected by our work.

We employ a diverse toolkit of engagement methods, tailored to each unique context.

From town hall meetings and focus groups to digital platforms and interactive workshops, we strive to make participation accessible and inclusive. Our approach is flexible, adapting to the specific requirements of each project and community.

Crucially, we initiate engagement early in the project lifecycle. This proactive stance allows us to incorporate local insights and concerns from the outset, shaping our plans in harmony with community aspirations. We're not just informing; we're co-creating solutions.

Our engagement team comprises skilled facilitators who excel at navigating complex stakeholder landscapes. They're adept at managing power dynamics, ensuring that marginalised or seldom heard voices are heard and respected. We're always open to dialogue and committed to building trust through transparency, consistency, and follow-through on our commitments.

At the heart of our methodology is a five-stage approach:

- **Stakeholder Mapping:** We identify and understand all key stakeholders early in the process.
- **Early Engagement:** Proactive outreach allows us to incorporate local insights from the outset.
- **Social Media Analysis:** We gauge public needs and satisfaction through digital channels.
- **Complaint Resolution:** A robust process ensures timely closure of any issues.
- **Customer Service Training:** Our staff are equipped with the skills to deliver positive experiences.

Portobello road gas mains replacement



Morrison Energy Services, on behalf of Cadent Gas, undertook a challenging gas mains replacement project in London's bustling Portobello Road Market. The project's success hinged on exemplary community engagement, setting a new standard for infrastructure works in high-traffic urban areas.

Key Engagement Strategies:

- 1. Collaborative Scheduling:** Workshops with market traders allowed them to actively shape the project timeline, fostering a sense of empowerment and community alignment.
- 2. Early and Extensive Consultation:** Public meetings and drop-in sessions with residents, stallholders, and local authorities informed the project approach.
- 3. Digital Innovation:** A bespoke website with QR code access provided real-time updates, contact information, and facilitated community polls.
- 4. Continuous Communication:** Fortnightly newsletters, a dedicated contact centre, and liaison officers ensured constant dialogue with stakeholders.
- 5. Accessibility:** Personal phone numbers of key site managers were made available, ensuring immediate response to concerns.

Outcomes:

Increased community buy-in due to stakeholder involvement in scheduling decisions.

- Zero complaints registered throughout the project duration.
- Completion on time and on budget, despite accommodating community needs.
- Positive feedback from residents, praising minimal disruption and staff helpfulness.

The project's success was underpinned by a customer-centric approach, employing journey mapping to anticipate and address stakeholder concerns proactively. By giving the community a voice in the planning process, particularly in scheduling, the team transformed potential opposition into active support.

This case study demonstrates how collaborative engagement techniques can turn potentially disruptive projects into opportunities for community partnership. By empowering stakeholders to influence crucial aspects like project scheduling, infrastructure developments can achieve smoother execution and stronger community relations.



Governance Section



Operating with Integrity

The Way We Work

M Group Services' "The Way We Work" and its supporting policies form a comprehensive framework that guide our operations and cultural approach.

This document serves as a foundation for responsible business practices, outlining the our approach to core values of People, Safety, Delivery, and Integrity. At the heart of the framework is the Code of Conduct which sets the tone for ethical behaviour across the organization. This policy emphasizes the importance of conducting business with integrity and transparency, creating a culture where employees feel empowered to report instances of non-compliance or unethical conduct without fear of reprisal.

The People-focused policies within the document demonstrate M Group Services' commitment to its workforce. The Human Rights policy upholds the dignity and wellbeing of all employees and those affected by the company's operations. This section (and several others) is one of the key points of close alignment with United Nations Sustainable Development Goals.

The People policy focuses on attracting, developing, and retaining top talent, creating an inclusive environment that values diversity and promotes personal growth. Safety is paramount in M Group Services' operations, as reflected in the Safety & Environment policy and the Health & Wellbeing policy. These policies go beyond mere compliance, aiming to embed exemplary occupational health, safety, and wellbeing practices throughout the organization. Our goal of achieving zero accidents and ensuring zero harm underscores our commitment to creating a safe working environment, as we'll discuss in the next part of this section.

Environmental responsibility is addressed through several policies, including Decarbonisation and Waste and Recycling. These policies outline the company's approach to minimizing its environmental impact, reducing carbon emissions, and promoting responsible resource management. This proactive stance on environmental issues enables us to make responsible decisions throughout our operational planning and execution.

The Delivery aspect of the company's values is supported by policies focused on operational excellence and innovation. The Best Practice and Innovation policy encourages continuous improvement and the sharing of innovative practices across the Group. The Plant & Fleet and Procurement policies ensure that the company's operations are efficient, cost-effective, and aligned with its sustainability goals. Customer focus is emphasized in its own policy, which outlines our commitment to delivering excellent service to clients and their end-users. This policy recognizes the varied needs of different sectors and encourages a flexible approach.



The value of integrity is reinforced through several policies addressing ethical business practices. These include Anti-Bribery and Anti-Corruption, Fraud Management, and Taxation policies. Together, these policies establish a zero-tolerance approach to unethical behaviour and ensure compliance with legal and regulatory requirements. M Group Services also recognizes its broader social responsibilities, as evidenced by the Corporate Social Responsibility policy. This policy outlines the company's commitment to positively contributing to the communities in which it operates, going beyond its core business activities to make a meaningful impact.

Risk management and business continuity are addressed through respective policies which ensure that the company is prepared to handle potential disruptions and maintain its operations in challenging circumstances.

Finally, our Communication policy and External Communication guidelines ensure that our messaging is consistent, clear, and aligned with our values across all channels and stakeholders.

"The Way We Work" and its supporting policies provide a robust framework that guides us to deliver essential infrastructure services responsibly and sustainably. This comprehensive approach not only ensures operational excellence and ethical behaviour but also positions M Group Services as a leader in our field, capable of addressing complex challenges while creating value for all our stakeholders.

Safety performance

Steve Hewings
Head of Health & Safety



At the heart of our operations lies a fundamental belief: nothing we do is so important that we cannot find the time to do it safely. This ethos runs through every level of our organisation, from field operatives to senior management. It's not just a slogan; it's our license to operate and the foundation of our success. I'm sure we all understand the critical importance of creating a culture that promotes a safe working environment for all.

Our annual statistics, summarised here, remind us of the human and economic toll of workplace accidents and ill health. These numbers aren't just figures; they represent real people, families, and communities affected by preventable incidents. It's our responsibility to do everything in our power to prevent such occurrences within our sphere of influence. I believe that by positively engaging on health and safety at all levels of our division, we will achieve further improvements that will help foster a true Zero Harm culture.

A CAST OF THOUSANDS



Towards Zero Harm – Our five year SHEQ strategy

At M Group Services, we are committed to the safety and wellbeing of everyone who interacts with our business. The strategy summarized below outlines our approach to Safety, Health, Environmental, and Quality (SHEQ) management for the next five years. Our primary objective is to ensure everyone returns home safe and well each day. We recognize that exemplary SHEQ performance is critical to our success and are dedicated to continuous improvement in these areas. Our strategy focuses on six key areas:

- 1. Safety:** We aim for Zero Harm through the development of a strong safety culture, intelligent solutions, and enhanced governance frameworks.
- 2. Health & Wellbeing:** We're committed to creating a healthier workplace through management buy-in, leadership commitment, and regular initiatives.
- 3. Quality & Sustainability:** We strive to deliver high-quality services while respecting our environment and communities.
- 4. Engagement:** We recognise the importance of workforce engagement and commit to clear, consistent communication across our business.
- 5. People:** We aim to attract, develop, and retain a sustainable and resilient workforce, empowering them to maintain a safe and healthy workplace.
- 6. Leadership:** We believe in leadership based on empowerment, commitment, and accountability, encouraging ownership at all levels.

To achieve our goals, we will implement various initiatives, including developing intelligent safety solutions, enhancing our governance framework, delivering cultural change through workshops, and implementing a focused sustainability agenda. We are dedicated to operating with integrity, causing no harm to our colleagues or those we interact with. By working together and maintaining our commitment to these principles, we aim to create an incident and accident-free workplace while delivering exceptional service to our clients.

Safety performance: The year in review

As we reflect on our safety performance for the financial year 2023-2024, we are proud to report significant strides in creating a safer work environment across all divisions of M Group Services. Our commitment to continuous improvement and proactive safety measures has yielded positive results, demonstrating our ongoing dedication to the safety and wellbeing of our employees, clients, and the communities we serve.

Key Safety Performance Indicators

Our performance is measured through several key performance indicators, each providing valuable insights into our safety culture and performance.

Accident statistics for our own workforce

Please note that we calculate our KPIs based on 1,000,000 hours worked

Accident Frequency Rate (AFR): We've seen an improvement in our AFR, decreasing from 0.07 in the previous year to 0.06 this year (this is based on our calculation which uses 1,000,000 as a multiplier). This reduction underscores our enhanced focus on preventing serious incidents and accidents.

Fatalities: The number and rate of fatalities as a result of work-related injury: 0 / 0.00

High Consequence Injury: The number and rate of high-consequence work-related injuries (excluding fatalities): 16 / AFR (Apr23-Mar24)

Recordable Injury: The number and rate of recordable work-related injuries is also: 16 / AFR (Apr23-Mar24) = 0.06

Lost Time Injury (LTI) Rate is down from 0.24 to 0.15, and our Non-lost time Injury Rate has fallen below 1, from 1.02 last year to 0.93 this year. The decrease in our LTI rate is seen as a significant and positive step as we align to our "It Starts with Me" behavioural and cultural development programme.

Total Recordable Injury Frequency Rate (TRIFR): Our TRIFR has shown a positive trend, decreasing from 2.43 to 1.54. This 36% improvement reflects our significant efforts in reducing overall workplace injuries.

Service Damages Frequency Rate (DFR): We've made progress in reducing service damages, with our DFR decreasing from 2.87 to 2.64. This improvement highlights our enhanced attention to underground apparatus and careful work practices.

Road Traffic Incidents (RTI) per million miles: Road safety continues to be an important focus for accident reduction for us, with RTI per million miles increasing from 16.09 from 14.26 the previous year. We have set a target of a 10% improvement in this area within the next 12 months.

The main types of work-related injury:

- **Slips, trips and falls**
- **Animal assault**
- **Impact against/struck by**

The number of hours worked: **25,104,157**

Further statistics for workers who are not employees but whose work and/or workplace is controlled by us:

The number and rate of fatalities as a result of work-related injury: **0 / 0.00**

The number and rate of high-consequence work-related injuries (excluding fatalities): **9 / AFR= 0.06**

The number and rate of recordable work-related injuries: **9**

The main types of work-related injury.

- Impact against/struck by
- Slips, trips and falls
- Contact with tools

The number of hours worked: **19,649,101**



Performance summary

Notable achievements and recognitions: Our commitment to safety has been recognized through several prestigious awards:

- MES awarded the RoSPA Construction Sector Award Winners for the 8th time in 10 years, including 2 Sir George Earle Trophy awards.
- Z-Tech have been awarded its 16th consecutive gold award and bestowed again the RoSPA Order of Distinction.
- MES and MDS both received the British Safety Council International Safety Award with “Distinction”.
- MGPFs - Successful re-certification of RoSPA Gold Medal (8 consecutive years)
- MDS awarded the RoSPA Gold Award for 6 consecutive years.

AAA (Asses, Appreciate, Advance)

Energy Division are changing how we complete our Senior Leadership Team (SLT) site engagement visits to make them more impactful.

We have completed over 140 cross-contract SLT engagement visits during 2023/24, and the subsequent feedback and benefits has been very clear.

The process has now been renamed the 3(a) Programme:

- **Assess** – Consider the safety practices that are being adopted during the visit. Are they being adhered to and are they appropriate. This principle can of course extend beyond Safety.
- **Appreciate** – Take time out to appreciate the good work that our people carry out and ensure we take the time to listen. What are we doing well and can we do better in this regard.
- **Advance** – Look to identify Best practice or any ideas that would improve the way we work. Often this will be listening to what the people we meet tell you we should be doing differently. Act as a conduit to change.

Other Divisional performance highlights

Each division within M Group Services has contributed to our overall safety performance:

- Water Division: Achieved a milestone with no reported service damages on YW WSP/YW P4Y and UU for the first time in 26 years.
- Energy Division: Implemented a Vehicle Incident Reduction Strategy to address the slight increase in incident rates and have set an ambitious 20% improvement target.
- Telecoms Division: Maintained a strong safety record with no RIDDOR or HPI incidents reported.
- Transport Division: Successfully re-certified for RoSPA Gold Medal (8 consecutive years), demonstrating consistent excellence in safety practices.

Continuous Improvement Initiatives

We've implemented several initiatives to drive our safety performance forward:

Enhanced Reporting: Our energy division Introduced the 3(a) programme (see the insert box, to the left) to enhance our Senior Leadership Team Workforce Engagement Visits, taking the time to engage with our workforce across the Division, exploring the Health and Safety, Workforce Engagement and Innovation qualities on an annual basis.

A culture of responsibility: Our 'It Starts with Me' behavioural and cultural development programme has been introduced across the Group, encouraging all our colleagues to take responsibility for their own safety and that of those around them, encouraging and empowering individuals to speak out, rectify or halt any practices that they identify as potentially hazardous.

Focus on Underground Services: Established the Divisional Service Identification Group, resulting in a continued improving trend in service damages.

Leadership Engagement: Increased senior management involvement through leadership safety visits and tours across all divisions.

Supply Chain Management: We developed improved systems for managing subcontractor competence and induction records.

Looking Ahead

While we celebrate our achievements, we recognize the importance of continuous improvement. Our focus areas for the coming year include:

- Further reduction of Lost Time Incidents, particularly those involving manual handling.
- Enhanced management of minor injuries to prevent escalation.
- Continued emphasis on road risk reduction and fatigue management.
- Ongoing development of our health and safety teams through targeted recruitment and skills enhancement.

As we move forward, we remain committed to fostering a culture where safety is not just a priority, but thanks to our It Starts With Me ethos, it is a core value embedded in every aspect of our operations. Through collaborative efforts, innovative approaches, and unwavering dedication, we strive to set new benchmarks in health and safety performance across the utility infrastructure sector.

Enhanced Disclosures (Safety related information regarded as best practice for ESG reporting).

Addressing operational risks and hazards that pose a risk of high-consequence injury:

There are various levels of risk analysis across M Group Services:

- **Group Approach** – all divisions are required to document how they identify and manage their Health, Safety, Environment and Quality Risks. This process is recorded on Xantium and is audited externally and at Group level and is regularly reviewed by a risk committee by all the divisions and business units.
- **Divisional / Business Unit Approach** – all hazards are identified as a result of following our internal processes and procedure. Prior to any contract commencing, we utilise our procedure for the Identification, Evaluation and Management of Significant Hazards and Risks – the results of which feed into the divisional Xantium process.

Hazards leading to high consequence injury

During the reporting period, one of the main contributors of our high consequence injuries (Reportable to Health and Safety Executive) has been that of “Impact against / struck by” which, in the main has been struck by plant/equipment. This is a potential hazard when working in very close proximity to small plant / machinery.

Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.

We have a number of ongoing actions underway to eliminate / reduce these accidents:

- Elimination – where possible, we utilise processes whereby no interface is required, ensuring all mobile plant / equipment is immobilised prior to personnel working in close proximity.
- Reduction – we close off / barrier off working areas where possible.
- Education – we have campaigns and initiatives, in particular our “Thumbs-up” for safety campaign, as well as posters, briefing and toolbox talks.
- Competency – ensuring we have a fully competent workforce.

Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls.

We are continually reviewing our health and safety performance and all levels of the organisation where significant accidents and incidents are fully reviewed to determine the root cause(s).

Where necessary additional actions are taken to prevent any reoccurrence.

Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.

No

Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

All work undertaken across the group is undertaken in accordance with the Health and Safety Executive’s Codes of Practice / Guidelines. In addition, all industry standards, processes and procedures are met or exceeded.



It Starts With Me

Goal – our goal is to create a positive safety culture, driven by people making the right choices that contributes to an environment free from harm

Objectives:

- Develop and maintain a just and fair safety culture
- Demonstrate reduction in risk of serious harm year on year until our risks are reduced or eliminated.
- Provide a continuous learning experience for our people

Our Approach – the 4 Es

- **Engaging** people to drive out the complacency that causes injury, illness, damage or loss.
- **Enabling** people to ask questions freely if there is something they don’t understand.
- **Empowering** everyone to speak up if something doesn’t look or feel right.
- **Encouraging** the right behaviours, focussed on taking time to assess risks and doing things safely

Key enablers:

- **Direction:** provide thought leadership and momentum with dedicated groups/teams engaging within divisions.
- **Opportunity:** Identify, capture and promote good practice for affecting culture change within the division.
- **Transfer of learning:** share and adopt good practice for culture change across M Group Services

Wellbeing

We prioritize employee mental health and wellbeing as part of our zero-harm health and safety approach. Our most important asset is our workforce, so it's in our own interests to make sure everyone who comes to work alongside us is able to do so in an environment in which they feel safe, appreciated and healthy. Mental wellbeing is as crucial as physical safety and have implemented comprehensive strategies across our Group of companies to support our workforce.

Key initiatives include:

1. ISO 45001 accredited Integrated Management System.
2. Multiple communication channels for distributing wellbeing information, including email campaigns, WhatsApp groups, posters, and an employee portal.
3. Free Employee Assistance Programme (EAP) providing support and advice on various issues affecting mental health, which is also made available to our supply chain partners.
4. Trained Mental Health First Aiders (MHFA) available to all staff, with information being provided in our working locations about who these people are.
5. Regular mental health awareness updates during weekly project safety calls.
6. Mandatory mental health awareness training for all staff, with additional specialized training for managers.
7. Team bonding events and incentives for physical activity to promote overall wellbeing.
8. Widely publicized whistleblowing programmes, managed by external providers.

We actively participate in mental health awareness events and provide direct links to external support organizations. Our approach is inclusive, extending to subcontract partners, and is regularly monitored and reviewed through various forums and management meetings.

By fostering open conversations about mental and physical wellbeing, we aim to create a supportive environment where employees feel cared for in both their professional and personal lives. This comprehensive approach not only ensures compliance with legal obligations but also demonstrates our commitment to the holistic wellbeing of our workforce.



A CAST OF THOUSANDS

The Road to Wellness

It's truly humbling to have received this year's Beyond Expectations award for promoting health and wellbeing. This recognition only fuels my commitment to continue promoting wellness and making a positive impact on the lives of others.

I've always been passionate about fitness from a young age. I started in the water industry at the age of 17 digging holes and repairing water mains which meant I needed to be active and look after my body. However, my journey took a very important turn when a little boy called Kai—the son of a dear friend of my wife and me, Kai was diagnosed with leukaemia. He was just 2 years old and sadly passed away a few years later.

When Kai burst into this world, no one would have thought that within 3 years, childhood cancer would take him. They have no idea what causes it, it was random. It affects all races, all countries, and all types of families regardless of wealth, religion or gender. It is confronting to see children suffer but it is so very real. It is happening now to innocent souls, and I have a responsibility to not turn away. Life can be tough, so this is why I'm so passionate about our well-being inside and outside of work.

There are four factors we need to look out for; our physical health, mental health, work-life balance and the overall work environment. If we put all these factors in place, we can have a fighting chance to enjoy what life throws at us and if I can help others on the way I shall do my best.

I believe wellbeing at work is a critical aspect of organizational health and employee satisfaction. It is not just about preventing negative outcomes but also about fostering a positive, productive, and sustainable work environment. I have found that this can lead to better teamwork, improved morale, and stronger interpersonal relationships among employees.

Improved physical and mental health of employees helps to reduce absenteeism. Stress and fatigue are two of the main contributors to our field operatives being absent. Addressing factors that contribute to stress and burnout can help manage and mitigate these risks. I have seen over the years that wellbeing initiatives can lead to improved concentration, higher energy levels, and better work quality. If our employees feel well, they are more motivated to perform better and are less likely to take sick leave.

I also believe if we invest in our employee wellbeing it can lead to significant benefits for both employees and the organisation as a whole.

Jon Branson
Construction Manager
Morrison Water Services



Anti corruption

We maintain a zero-tolerance approach to corruption in all its forms, implementing stringent anti-corruption policies and procedures that align with UK law and international best practices.

All our colleagues undertake mandatory training on how to recognise bribery and corruption, with bespoke e-learning training modules produced by our business to explain both legal and ethical requirements and how to handle suspicions and concerns appropriately.

As with many of our ethical factors, this bribery and corruption is covered extensively in our “The Way We Work” document, which provides both policy and narrative guidance. We also have bespoke policies across our Group of companies which we will be working to unify over the next reporting period.

Ensuring integrity: our external audit process

At M Group Services, we maintain a rigorous external audit process to ensure the highest standards of financial reporting and corporate governance. Our Audit Committee, composed of experienced professionals, plays a pivotal role in overseeing this process.

The Committee’s responsibilities encompass a wide range of activities, from appointing and managing the relationship with our external auditors to reviewing the effectiveness of the audit process. We place great emphasis on the independence and objectivity of our auditors, regularly assessing their performance and ensuring compliance with relevant professional standards.

Our external audit process is designed to be thorough and transparent. The Committee works closely with the auditors throughout the year, not just during the formal audit period. This ongoing dialogue allows for timely identification and resolution of potential issues.

We have established robust procedures for reviewing the audit findings, including detailed discussions of significant matters and judgements. The Committee also scrutinises the auditor’s interactions with senior management to ensure a balanced and objective perspective.

To maintain the integrity of our financial reporting, we have implemented stringent policies regarding non-audit services provided by our external auditors. This helps to safeguard their independence and avoid potential conflicts of interest.

Our commitment to a comprehensive and effective external audit process underpins the reliability of our financial statements and reinforces the trust placed in us by our stakeholders. It forms a crucial part of our overall governance framework, supporting our dedication to

Lobbying

We do not engage in political lobbying of any kind, whether on behalf of ourselves, our investors or our clients.

Our total expenditure on political lobbying for the reporting period is nil.

A CAST OF THOUSANDS

“When I started in construction, in 2005 (a long time before I came to M Group Services) it was a bit of a battle to encourage our workforce to use PPE. Many operational teams were resentful that the safety gear was slowing them down, and many people were happy to share their opinion that the move was just being imposed upon them by people who had no idea how “proper” workers did their job.

Twenty years is a long time, and accident frequency rates have changed beyond all recognition over that time. These days it’s more unusual to find a technician not wearing their gloves or safety glasses, but in this era of Zero Harm and It Starts with Me, we also fully expect our entire workforce to get home safely to their families, every night.

Depending on where you go and who you speak to outside work, ESG can generate reactions similar to the outdated complaints about PPE. Some people argue that it takes up too much valuable time. It asks operational companies and contractors to focus on things that aren’t core business. It adds to the administrative and reporting burden and it’s all about “ticking boxes”. Some people go further and argue whether private companies should even get involved in activities that might be better left to charities and the public sector.

I was driven to get involved in ESG because I was passionate about social value. That was my “thing”, but I’ve been amazed since joining the team to discover just how much demand for positive change is already in our company. After speaking and working with passionate and driven people across the business, it’s become abundantly clear to me that ESG isn’t being dictated from senior management but is being driven from within the business, with causes ranging from diversity to process safety, from social mobility to recycling being championed by so many passionate individuals that keeping pace with them all is a full-time task. I consider myself fortunate, because this is the full-time task which I have been lucky enough to have.

I’d like to take this opportunity to thank everyone who’s provided information for our diverse range of reports, award submissions, audits and articles this year. Your patience, enthusiasm and drive have been an inspiration and we quite literally couldn’t have done any of this without you.”

David Steele

ESG and Innovation Technical Content Manager



Preparing for enhanced ESG reporting requirements

The landscape of Environmental, Social, and Governance (ESG) reporting is undergoing significant changes. A series of new regulations and standards are on the horizon, which will require us to adapt and enhance our reporting processes.

Key upcoming changes include:

- New UK ESG Reporting requirements which we expect to be implemented during the next two years.
- Increased scrutiny on ESG performance from investors, clients, and regulatory bodies.
- A shift towards more comprehensive and standardised reporting frameworks.

To meet these challenges, we're taking proactive steps to strengthen our internal reporting structures and mechanisms. Our strategy focuses on:

1. Bringing together more of our Business Management System documents across the Group to ensure consistency in our ESG approach.
2. Developing a robust data management system to efficiently collect, analyse, and report ESG data.
3. Enhancing our annual ESG report to align with new legal standards and investor expectations.

Central to our approach will be the adoption of Global Reporting Initiative (GRI) standards. The GRI framework offers several advantages:

1. Compatibility with more advanced reporting requirements in the EU and soon to be expected requirements in the UK.
2. A comprehensive structure that covers all aspects of ESG reporting.
3. Global recognition, enhancing the credibility and comparability of our reports.
4. Focus on materiality, ensuring we report on issues most relevant to our stakeholders and business.



Implementing GRI standards will require significant effort across our organisation. It will involve:

1. Conducting materiality assessments to identify our most crucial ESG issues.
2. Enhancing our data collection processes to meet GRI's detailed reporting requirements.
3. Training staff across our Group to understand and contribute to GRI reporting.
4. Potentially restructuring some of our internal processes to align with GRI indicators.

While this transition will be challenging, it positions us well for the future. By adopting GRI standards now, we'll be prepared for any changes to UK reporting requirements in 2025 and any subsequent regulatory changes. Moreover, this approach will enable us to:

1. Demonstrate our commitment to transparency and sustainability.
2. Improve our ESG performance through more rigorous measurement and reporting.
3. Enhance our reputation among stakeholders, including investors and clients.
4. Make more informed decisions based on comprehensive ESG data.

We've changed the format of our report this year to reflect the kind of structure that will support our GRI submission. While it's by no means a compliant report at this stage, the increased level of subjects covered should provide an insight of our direction of travel. We'll provide updates and training as appropriate, to ensure everyone is equipped to contribute to our enhanced ESG reporting efforts in time for our first fully compliant GRI index when we go live with it in the future.

IT and data security - information management

Theddeus Sefia
Group Data Protection Officer



As a business we process a huge amount of personal data. This spans across the personal data of our over 11,000 people (and growing) to the millions of personal data our field operatives and other teams process for members of public all across the UK. This highlights why as a business - our responsibility to managing personal data appropriately cannot be overemphasised or overlooked.

Data protection is a legal requirement and we have put in place systems, policies, processes, and strategies to protect and manage this huge and widely varied amount of personal data to ensure we do not incur financial penalties (a fine for serious breaches can be up to £17.5 million or 4% of our annual worldwide turnover, whichever is higher. However, you as an individual can also be fined if found guilty of breaching data protection law). There are also issues of reputational damage which cannot be understated as contracts/bids can possibly be lost where we have a bad reputation for data protection.

As the Group DPO, it is my duty to monitor, inform, advise and ensure internal data protection compliance, however, it is the responsibility of everyone within M Group Services as a business, with particular reference to anyone who handles personal data in some way, to safely handle the personal data for which we are custodians.

A CAST OF THOUSANDS



Data protection

Our data protection strategy is built on a robust Privacy Information Management System (PIMS) that ensures compliance with UK GDPR and aligns with the United Nations Sustainable Development Goals, in that it specifically references the rights of the individual relating to their data use. This alignment underscores our commitment to responsible data management and human rights protection.

Key elements of our approach include:

- **Comprehensive Data Protection Policy:** Our policy, updated in 2024, outlines clear principles for lawful processing, purpose limitation, data minimization, accuracy, storage limitation, security, and accountability.
- **Respect for Data Subject Rights:** We acknowledge and honour the full spectrum of data subject rights, including the right to be informed, access, rectification, erasure, and data portability.
- **Regular Training and Awareness:** All staff receive annual data protection training, with additional specialized training for roles handling sensitive data or implementing policy.
- **Dedicated Data Protection Officer:** Our DPO oversees compliance, provides advice on data protection impact assessments, and acts as a point of contact for data subjects and regulators.
- **Secure Data Management:** We utilize Oracle Field Service Cloud for efficient and secure data handling across our operations.
- **Continuous Improvement:** Our PIMS is regularly reviewed to ensure it remains fit for purpose and adapts to evolving data protection landscapes.
- **Transparent Communication:** We maintain clear channels for data protection queries and concerns, fostering an open dialogue with stakeholders.

By integrating these elements, we've created a culture of data responsibility that permeates our entire organization. This approach not only ensures compliance with legal requirements but also builds trust with our clients and customers, demonstrating our commitment to protecting their personal information as a fundamental aspect of our business ethics.

Cybersecurity

Our cybersecurity strategy is designed to protect our digital assets, client data, and operational integrity against evolving threats. We've implemented a multi-layered approach that combines advanced technology, rigorous processes, and ongoing employee education.

Key components of our cybersecurity framework include:

1. **ISO 27001 Compliance:** Our information security management system adheres to ISO 27001 standards, ensuring a systematic approach to managing sensitive information.
2. **Comprehensive Risk Management:** We conduct regular vulnerability assessments and have established a robust risk management plan overseen by our Risk Committee.
3. **Advanced Threat Detection:** We employ state-of-the-art cybersecurity solutions to detect and prevent malware, ransomware, and zero-day attacks.

4. **24/7 Monitoring:** Our systems are continuously monitored for potential security breaches, ensuring rapid response to any incidents.
5. **Incident Response Plan:** We maintain a detailed business continuity and recovery plan, supported by a dedicated Cyber Security Incident Response Team (CSIRT).
6. **Supply Chain Security:** We carefully vet and monitor our technology partners to ensure they meet our high security standards.
7. **Employee Training:** Regular cybersecurity awareness training is provided to all staff, fostering a security-conscious culture throughout the organization.
8. **Data Encryption and Access Controls:** We implement strong encryption and strict access controls to protect sensitive information.
9. **Regular Audits:** Both internal and external audits are conducted to assess the effectiveness of our cybersecurity measures.
10. **Continuous Improvement:** We stay abreast of emerging threats and continuously update our security measures to address new challenges.

This comprehensive approach to cybersecurity demonstrates our commitment to protecting not only our own assets but also the trust placed in us by our clients and customers. By maintaining robust defences against cyber threats, we ensure the continuity and reliability of our services while safeguarding the sensitive data entrusted to us.

The safe management of Artificial Intelligence

Simon Higgins
Innovation Director



The Human-AI Dance: Powering Responsible Innovation in Energy

For me, the ethical implications of AI are paramount. Here in the Energy Division Innovation team, we're harnessing the power of AI to develop a Generative AI tariff (smart meter) analysis tool using Amazon Web Services, but with humans firmly in the loop. This isn't about replacing talented people; it's about empowering them.

The Past Year

- **Building Trustworthy AI:** Last year, our Group-wide AI Forum focused on mitigating ESG risks. We explored data accuracy (the "hallucination problem") by implementing rigorous data validation measures. We also addressed IT security risks through robust architectural implementations, making sure the data and the models we use stay within our accounts and only accessible by authorised personnel.
- **A Human-Centric Future:** Moving forward, I'm passionate about ensuring AI aligns with our company values. Our Gen AI tool tackles this by providing initial insights, but the final decision on tariffs rests with human expertise. This allows our customers' teams to leverage their broader knowledge of consumer behaviours and the energy landscape, ultimately leading to better tariff options and achieving business objectives.
- **Ultimately, AI is a powerful tool, but it's the human touch that guides its responsible use.** By working in tandem with AI, we can achieve responsible innovation that benefits our business, our customers, and the environment.

A CAST OF THOUSANDS



Introducing MAGI

Our work with Artificial intelligence has included extensive work with Microsoft Co-Pilot and our own in-house system, which we call MAGI. We've been looking at a wide range of implications for this new technology, and we've been paying attention to the requirements and appetite of our clients and potential risks and benefits for systems that might, for example, detect water leaks in the network and dispatch operatives to repair them.

We are also in the early stages of developing MAGI (M Group Artificial Generative Information) to bespoke generative AI to help us to collate and explain our policies and procedures for client queries and tenders. The implementation for this is being tightly controlled, with specific documents and policies from our Business Management system being collated to form a library that is up to date and accurate. Importantly, the system is being carefully managed, and restricted to obtain its responses only from our documentation, which means that, when preparing a response about our safety systems, it would not be able to draw spurious information from the internet. Additional checks are being undertaken to prevent the system from "hallucinating" (making facts up for the sake of having something to write) and providing cited references for every piece of information it provides.



Sharing data across our Group

Action Point from the 2023 People Opinion Survey

We're already working on new collaboration tools, integrated platforms and breaking down siloes with a digital 'M Group Services' "in your pocket" (portable) solution.

The first part of an exciting data and reporting project delivered Microsoft Fabric framework in July, taking away the need for so many Power BI licences. Work to refresh the reports and move data into the new environment has now started, giving us all greater access to this state-of-the-art data analytics platform.

This means we will be able to share data and information securely, providing the whole Group with a 'single source of truth' on which we can all rely, taking away the 'data islands' that currently exist. This platform will mean the right people will have access to the right data at the right time, at the touch of a button. We'll be telling you more about this over the coming year as the platform is rolled out.

An IT project is already underway to enable us all to use Teams and email seamlessly to communicate more quickly and easily with one another Group-wide. This will make it much easier for everyone to find resources and share information.

Our Group strategy aims to position us as one Group with a phenomenal platform for growth. Our five priorities are central to our big ambitions.

We want to:

- Lead on ESG
- Drive efficiencies to increase margins
- Expand capability and geographic reach through M&A
- Grow through delivery of value-added services to our clients
- Maintain and increase our core services

Each division has its own priorities to help us deliver together against this strategy and realise our ambition.





Safedig AI

Digging for utility infrastructure is an inherently dangerous practice. Our methods of operation help to minimize these risks, but we work hard to develop new ways of thinking that will help to eliminate risk where possible. Safe Dig AI is a revolutionary system that helps to keep our people safe by ensuring our operatives are informed about exactly what's under the ground before they break into it.



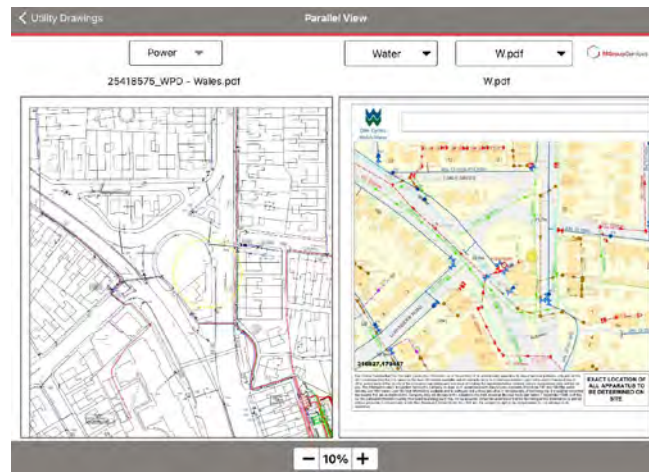
Traditionally, sourcing, collecting and interpreting utility plans would be a slow but legally mandated and safety-vital process. This revolutionary system uses Robotic Process Automation (RPA) AI to compile packs of utility plans quickly and accurately (in as little as 30 minutes, compared with several hours needed previously). The solution then provides our expert operatives with digital packs via a user-friendly, intuitive, and feature-rich application.

Using cutting edge technology, Safe Dig AI can interpret all existing map data from utility companies, combining and interpreting completely different and disparate maps from many sources, combining them into one geo-referenced intelligence model. This cutting-edge AI process significantly reduces the risk of hitting cables and other assets. Inadvertent strikes can cause significant disruption to local communities, delay work on site and risk personal injury. This radical new technology is about to transform our processes by helping us to eliminate these dangers.

MWS has enjoyed a long and successful partnership with software developers, ZT. During 2022, we asked them to identify potential solutions for using machine learning to interpret complex map data. We had already had success with RPA for scanning site documents and recognised the potential when ZT told us that they were developing similar technology to read maps. The bespoke software has learned to interpret widely different map data sets and make its own decisions (following 6 months of reinforced learning) to create safe dig packs showing underlying assets present at a specific location, covering gas and water pipes, electric and telecom cabling, in one dataset.

Over time, the AI software is learning to provide even greater insight through reasoned extrapolation, thereby improving safety even further. On site, we always carry out Cat and Genny scans to validate the results we have been provided, but its accuracy, speed and consistency has been impressive.

Morrison Water Services has first trialled the Safe Dig AI solution in Wales on its Dwr Cymru Welsh Water (DCWW) contract, with exciting results. We are now rolling this out to teams providing services to Thames Water. We will then be distributing this highly scalable and low-cost innovation to other contracts carrying out similar works on all our utility contracts across the UK.



Business Continuity and Emergency Response

Our comprehensive business continuity plans and security measures ensure resilience in the face of potential disruptions, protecting our operations and the critical infrastructure we support across the UK.

Our commitment to high standards of business continuity, and for our Telecoms Division, Plant and Fleet Division and Support Services (Head office) this is accredited to ISO 22301 standard. The rest of M Group Services aligns to the same high standard but is not legally required to be accredited.

Many of the services we provide relate to critical infrastructure, so it's essential that we have systems and processes in place to make sure we are not vulnerable. The critical nature of our operations means we need robust systems and processes to manage potential disruptions. Certifying or aligning to ISO 22301 standard ensures that each company within our Group has implemented comprehensive Business Continuity Plans within the framework of the Group Business Continuity Management System (BCMS), which underpins our risk management approach, enabling us to identify potential threats to our operations and build resilience, safeguarding the interests of our clients and stakeholders. By adhering to these internationally recognised standards, we can be confident that we have the capability to maintain essential functions during unforeseen events, minimising downtime and ensuring rapid recovery.

The ISO 22301 framework allows us to take a proactive approach to risk management, enhancing our ability to respond effectively to a wide range of scenarios that could impact our services. This includes natural disasters, technological failures, supply chain disruptions, or other unforeseen circumstances unique to the UK business environment. Our group-wide implementation of these standards fosters a culture of continuous improvement and resilience. Regular audits, reviews and testing, ensures that our business continuity plans remain current and effective, adapting to the evolving landscape of the sectors in which we operate. This ongoing commitment to excellence provides our clients with the confidence that we are always prepared to meet their needs, regardless of external challenges.

We produce bespoke Business Continuity Plans for each operational and office location, using processes from our Business Management System to define accountabilities, action flow charts and decision points. This is underwritten by our Emergency Response Plan which provides logical guidance for a wide range of potential incidents:

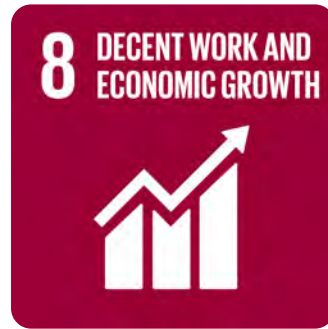
SHEQ	Health and Safety incident	Utilities	Utilities outage
	Pandemic outbreak		Civil disorder
	HSE Cessation of works	Threat to life	Active on-site threat
HR	Skill shortage / staff loss		Bomb threat
	Flood		Suspicious activity / device
	Extreme weather	Financial / legal	Regulation change, breach or legal action
	Fire		Major instance of fraud
	Local disaster	Supply chain	Critical supplier failure
Aircraft impact	Supplier part delays		
Chemical leak	Loss of key plant & equipment		
Explosive materials	National fuel shortage		
Information Technology	Data breach / cyber attack		
	Loss of electronic / hard copy Data		
	IT systems failure		
	Telephone outage		

Training for Business Continuity Awareness

Our Business Continuity Awareness Course is mandatory for all senior managers.

The course covers:

- What Business Continuity is
- Why we need Business Continuity Management
- The risks and threats you should be aware of
- Who is in the Incident Management Team
- Requirements for aligning with the ISO 22301 Standard
- The governance and controls we have in place
- What action to take i.e., what happens in the event of an incident/disaster



Monitoring and Controlling Risk

Risk is an inherent part of the business landscape. Our approach to risk management is rooted in a commitment to protect our employees, business assets, and earning capacity while contributing to the stability and growth of the Group.

Our risk management process is designed to complement, not replace, divisional “Business as Usual” operations. It provides a structured framework to identify, review, and monitor risks that could impact the performance of MGS and its divisions.

The Board plays a crucial role in determining our risk appetite – the nature and extent of risk we’re willing to accept in pursuit of our strategic objectives. They promote a responsible approach to risk, ensuring that long-term survival and reputation aren’t compromised as we pursue growth.

ESG related risks are considered at Board level as with any other risk. To ensure our management of these risk factors is robust, we invite external agencies, such as Sustainalytics, to review our management of these factors.

Responsibility for risk management cascades through the organization:

- Division Finance Directors serve as Risk Chairs, overseeing risk governance within their divisions.
- Risk Owners manage risks within their specific functions.
- Every employee has a role in managing risk within their area of responsibility.



Our risk management activities are documented in risk registers maintained on the Xactium system. These registers capture essential information including risk details, ownership, likelihood and impact ratings, and mitigating actions. This data can be presented in various formats – tables, heat maps, and dashboards – to facilitate review and reporting.

The Risk Team regularly analyses the content of these registers, providing management with insights into key risks and emerging issues. This information aids in strategic, operational, and investment decision-making.

Our commitment to transparency extends to our whistleblowing process. We maintain a dedicated hotline for reporting concerns, ensuring all cases are investigated thoroughly, promptly, and confidentially.

Multiple assurance providers contribute to our risk management efforts, creating a comprehensive network of oversight and expertise.

By integrating risk management into our corporate DNA, MGS aims to navigate the complexities of today’s business environment more effectively. Our approach isn’t about avoiding all risks, but about making informed decisions that balance potential rewards with potential pitfalls.

This strategy helps us protect what matters most – our people, our assets, and our future – while positioning MGS for sustainable growth in an ever-changing business landscape.

Four Lines of Defence

Operationally, our approach to risk management can be best summed up by our “four lines of defence” model:

1. First Line: Day-to-day risk management by operational teams.
2. Second Line: Business Unit SHEQ risk monitoring, mitigation and reporting.
3. Third Line:
 - Divisional central SHEQ audits and assessments
 - M Group Services assurance process
 - M Group Services risk management process
4. Fourth Line: Independent external audits (e.g., certification auditors, clients)

Assurance Activities

- Regular audits and inspections at various levels.
- “Deep Dive” Business Unit assessments.
- Compliance checks with legislation, BMS requirements, and stakeholder expectations.

This multi-layered approach ensures effective risk management, drives continuous improvement, and provides comprehensive assurance to stakeholders.

Measuring unmanaged ESG risks

ESG related risks are considered at Board level as with any other risk. To ensure our management of these risk factors is robust, we invite external agencies, such as Sustainalytics, to review our management of these factors.

- Sustainalytics’ ESG Risk Ratings measure companies’ exposure to and management of material ESG issues.
- The rating measures and adds up the unmanaged risks of a company in relation to a set of ESG issues that are considered material from a financial perspective.
- Companies are exposed to different ESG issues to different degrees. Their exposure is driven by sub-industry and company-specific factors.



- An ESG issue is considered material, if the company is sufficiently exposed to this issue. Corporate Governance is considered to be material for all companies.
- Companies are allocated across five risk rating categories (negligible, low, medium, high and severe risk).

Measuring activities across our entire Group requires us to be a fully joined-up organisation, with the contributions of each operating business in our Group counting towards our cumulative score. As an organisation, we demonstrate compliance across all our operating businesses and divisions by itemising each company's compliance in relation to its size in terms of turnover and head count. This enables us to be confident that, for each metric or requirement, we can demonstrate that a particular percentage of our organisation is compliant, accredited to the standards of compliance required of it.

The process requires us to evidence our policies and procedures, and again, thanks to the joined-up nature of our organisation, demonstrate that each of our Group companies has appropriate and relevant Business Management Systems and policies in place.

Taking a holistic view across the Group of companies enables M Group Services to continually improve its management practices by comparing each company with its peers. We employ a system of continual audit and verification, with dedicated auditors and compliance managers underpinning our SHEQ teams. We ensure our systems and processes are compliant by:

- A series of planned and ad-hoc inspections from dedicated compliance officers
- An app-based system enabling senior managers to visit and check operational sites on an ad-hoc basis
- Compliance checks and annual reviews for our supply chain partners
- External and third-party verification for any system for which this is appropriate or required
- System stress tests and exercises conducted as appropriate
- Regular updates to policy and procedures, with update schedules and sign-off being included in each policy document
- Regular training and testing of mandatory requirements for all employees and colleagues.

Governing Decision-Making: Our Scheme of Delegated Authority

We employ a comprehensive Scheme of Delegated Authority (SODA) to ensure robust governance and effective risk management across our operations. This framework clearly defines who can make decisions, what decisions they can make, and the financial limits of their authority. Key features of our SODA include:

- **Clear delineation of authority:** The scheme outlines specific approval levels, from the Board down through the organisation.
- **Dual approval principle:** Every activity requires approval from at least two levels, enhancing oversight and risk control.
- **Flexibility with accountability:** While some senior approval levels are fixed, there's flexibility to adjust lower-level approvals to suit operational needs.
- **Comprehensive coverage:** The SODA applies to all aspects of our operations, including contract approvals, financial commitments, and operational decisions.
- **Dynamic adaptation:** The scheme allows for adjustments based on the size and needs of different entities within our group.
- **Integration with systems:** Our SODA is fully integrated with our IT systems and workflows, ensuring consistent application across the organisation.
- **Ongoing review:** We regularly update the SODA to reflect changes in our business environment and organisational structure.

This structured approach to decision-making authority is crucial in managing risk, maintaining operational efficiency, and ensuring compliance with regulatory requirements. It provides clear accountability at all levels of the organisation and helps safeguard against unauthorised actions that could expose the company to undue risk.

By implementing and rigorously maintaining our SODA, we demonstrate our commitment to responsible governance and proactive risk management, providing assurance to our stakeholders and supporting the long-term sustainability of our business

Supply Chain Standards

Our supply chain standards reflect our commitment to sustainability and ethical business practices, ensuring that our suppliers adhere to the same high standards we set for ourselves. A significant focus for the reporting period has been the implementation of frameworks and mechanisms to enable us to understand our supply chain's carbon footprint, waste management and energy profiles. Going forward, this will also include other factors such as the scope of social standards, through which we will gain a better understanding about the working conditions and practices that support our purchased services and material components.

We have exciting new developments through our IT systems to monitor and measure factors such as spend on specific components, or exactly which of our suppliers is producing the most CO2. This has not only helped us to receive validation against our Scope 3 (supply chain) Science Based Targets, but is also enabling us to make informed decisions about which supply chain partners to invest in for the years ahead.

Learning from the Best

Benchmarking performance and Industry memberships

In line with UK regulatory requirements and global best practices, we have established rigorous standards and ambitious targets for our ESG performance. These benchmarks guide our operations and ensure continuous improvement in our sustainability journey.

ISO Standards

We recognize that adherence to internationally recognized standards is crucial for maintaining excellence in our operations, ensuring stakeholder trust, and driving continuous improvement. Our commitment to quality, environmental stewardship, and safety is reflected in the robust set of certifications we maintain across our businesses.

The majority of our business units hold key ISO certifications that underscore our dedication to best practices:



ISO 9001: This certification for Quality Management Systems demonstrates our commitment to consistently providing products and services that meet customer and regulatory requirements.



ISO 14001: Our Environmental Management System certification showcases our systematic approach to environmental responsibility and sustainability.



ISO 45001: This Occupational Health and Safety Management System certification reflects our priority on creating safe and healthy workplaces.



Beyond these core certifications, we've taken additional steps to ensure excellence in specific areas of our operations:



Carbon Reporting: We adhere to **ISO 14064** standards for quantifying and reporting our greenhouse gas emissions, demonstrating our commitment to transparency in our climate impact.



Business Continuity: Our **ISO 22301** certification for Business Continuity Management Systems ensures that, where legally required, we're prepared to maintain critical functions during disruptions, safeguarding our stakeholders' interests.

Information Security: Our IT security measures are certified to across all our data operations, group wide our robust approach to protecting sensitive information in an increasingly digital world. Where appropriate, our companies hold **ISO 27001** accreditation.

Financial integrity is paramount to our operations. While not governed by ISO standards, our annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) or UK Generally Accepted Accounting Principles (UK GAAP), as appropriate. These statements undergo rigorous auditing by Deloitte, one of the world's leading professional services firms, ensuring the highest levels of financial transparency and accountability.

External Best Practice Beacons

We are aligning our aspirations to reflect the goals and values set out by organisations such as the United Nations Sustainable Development Goals and companies such as Sustainalytics which provide benchmarks that enable us to measure ourselves against our peers. There is a wealth of knowledge to be obtained through learning from organisations such as these, and, as a learning organisation, we're committed to staying at the leading edge of industry ESG best practice.





Driving Innovation through RDEC:

Fuelling Our Sustainable Future

At the heart of our commitment to sustainability lies a robust innovation strategy, designed to meet the evolving expectations of our clients and the communities we serve. As a contractor of first choice for much of the country's critical infrastructure, we recognize that innovation is not just a pathway to reduced costs and improved efficiency—it's a fundamental pillar in our mission to enhance environmental performance, reduce carbon emissions, and minimize our impact on local communities.

Leveraging RDEC for innovation funding to support our ambitious innovation goals, we have strategically engaged with the Research and Development Expenditure Credit (RDEC) scheme. RDEC is a government initiative designed to incentivize and reward companies investing in innovation and research. This program has proven instrumental in our ability to secure funding for cutting-edge projects that align with our sustainability objectives.

How RDEC Works

The RDEC scheme operates as a tax credit within the UK tax system, providing a valuable source of funding for companies like ours that are pushing the boundaries of innovation in their respective fields. It benefits our innovation efforts through

1. **Tax Credit Calculation:** RDEC allows us to claim a tax credit of 20% on our qualifying R&D expenditure. This credit is then subject to corporation tax, effectively providing us with a net benefit of 15% for every pound spent on eligible R&D activities.
2. **Above-the-Line Credit:** Unlike previous R&D tax relief schemes, RDEC is an above-the-line credit. This means it's visible as income in our accounts, positively impacting our profit before tax. This approach enhances the visibility of R&D investment and its impact on our bottom line.
3. **Cash Refund Option:** In the unlikely event that our company is loss-making or has insufficient corporation tax liabilities, we could claim the credit as a cash payment, ensuring that our innovation efforts are supported regardless of our current tax position.

Innovation investment: A measure of our commitment

We are proud to report that our commitment to innovation continues to grow year on year. In the fiscal year 2022, our qualifying R&D spend reached an impressive £16.4 million. This year, we have further increased our investment, with our R&D spend rising to £19.2 million—a clear indication of our dedication to driving sustainable solutions through cutting-edge research and development. This significant investment, supported by the RDEC scheme, enables us to pursue pioneering projects that not only enhance our operational efficiency but also contribute to our broader sustainability goals. From developing advanced technologies for reducing carbon emissions to creating innovative solutions for minimizing environmental impact, our RDEC-backed initiatives are at the forefront of sustainable infrastructure development. By making full use of the RDEC scheme, we are not just investing in our company's future—we are investing in a more sustainable, efficient, and environmentally responsible infrastructure sector.



Summary

The report for this year provides what we hope is a balanced, realistic and open snapshot of MGroup Services and its journey towards improving our performance on ESG related activities and outcomes. While there's still work to be done, we can take a moment to be proud of what's been achieved so far. The improvements in the numbers provide evidence of our direction of travel, meaning we can be confident that we're on the right track and that all thoughtful actions, no matter how small, make a difference at company scale.

Every individual operation, all the responsible choices, each considerate action makes a difference to the impact that MGroup Services has on the community and environment in which we work. We hope that we've managed to demonstrate that we really are greater than the sum of our parts, and that the high levels of care and positivity demonstrated by so many of our friends and colleagues has created a culture in which we can all take action and pride.



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